

VILLAGE OF ESTERO
VILLAGE COUNCIL MEETING
PACKET
MARCH 6, 2024, 09:30 AM

www.Estero-fl.gov

The Village Council Meeting will be conducted physically in Council Chambers at Village Hall, 9401 Corkscrew Palms Circle, with an opportunity for members to participate virtually. The meeting will be broadcasted live via the Village of Estero website https://estero-fl.gov/council/watch-meetings-online/. Please see the bottom of this agenda for further information and instructions for public participation.

AGENDA
VILLAGE COUNCIL MEETING
9401 Corkscrew Palms Circle, Estero, Florida

March 6, 2024, 09:30 am

1. CALL TO ORDER

INVOCATION

Pastor Kevin Morris Estero Community Church

PLEDGE OF ALLEGIANCE

ROLL CALL

2. APPROVAL OF AGENDA, ADDITIONS, AND DELETIONS

3. PROCLAMATIONS

a. Estero High School Cambridge 39 Students Award

Attachment: 1 Estero High School Cambridge Awards.pdf

Cambridge Outstanding Learner Award with Distinction

Attachment: 2 Kyra Ritter Cambridge.pdf

b. Cambridge Outstanding Learner Award with Merit

Attachment: 3 Mollie Donaghy.pdf
Attachment: 4 Hailey Jacob.pdf
Attachment: 5 Emily Mcdowell.pdf
Attachment: 6 Sophie Perkins.pdf
Attachment: 7 Madison White.pdf
Attachment: 8 Keira Conrey.pdf
Attachment: 9 Abram Saravia-Lopez.pdf
Attachment: 10 Alivia Ban.pdf

4. PUBLIC COMMENT ON NON-AGENDA ITEMS

5. CONSENT AGENDA

a. February 21, 2024 Council Meeting Minutes

Attachment: 02212024 minutes.pdf

6. CONSIDERATION OF ITEMS DEFERRED FROM CONSENT AGENDA

7. ACTION ITEMS

a. Jeff Sommer Stadium Turf Installation Contract

Recommended Action
Approve EC 2024-26 in the amount of $1,967,667 for Hellas Construction, Inc. to install artificial turf on The Jeff Sommer Stadium football field.

Approve a $197,000 contingency for additional services that may be required to complete the project.

Authorize the Village Manager to sign the contract and other additional implementing documents within the scope of the contract on behalf of the Village of Estero Council, and to approve and execute any subsequent amendments which do not require an increase in the not to exceed budget (with contingency).

Financial Impact
The financial impact of this contract is $2,164,667. This will be funded using the Fiscal Year 2023-2024 Budget for the Estero Community Park Improvements which includes $6,800,000.

Attachment: SS Turf Install Contract Summary Sheet.pdf
Attachment: 01-EC2024-26 Jeff Sommer StadiumTurf.pdf
Attachment: 02-Loc Map.pdf
Attachment: 03-Jeff Sommer Stadium Turf Rendering.pdf
Attachment: 04-Sourcewell Contract 031622 HLC.pdf
Attachment: 06-Hellas Pricelist Sourcewell RFP 031622.pdf

b. Project Manager Services Contract

Recommended Action
Motion to approve the attached Professional Services agreement with Vieste, LLC.

Financial Impact
Funds for this contract are included in the budget.

Attachment: SS Project Manager Services Contract.pdf
Attachment: Estero Vieste contract 2024.pdf

MANAGEMENT AND FINANCIAL POLICIES

8. FIRST READINGS

a. Ordinance No. 2024-01 Financial Responsibility

An Ordinance of the Village Council of the Village of Estero, Florida, Amending Article IV (Finance) of Chapter 2 of the Village of Estero Code to Create Enhanced Financial Responsibility and Management Standards; Making Related Findings; and Providing for Severability, Codification and an Effective Date.

Recommended Action
Motion to Pass first reading of Ordinance No. 2024-01 and set second reading for March 20, 2024.

Financial Impact
The Ordinance brings the Village's financial and management rules in line with best practices and existing statutes, and improves the efficiency of the Village's finance and management function. Therefore, there is no fiscal impact related to the Ordinance's adoption. Minor cost for newspaper advertisement.

Attachment: SS Ord No. 2024-01.pdf
Attachment: 1 Estero Financial Responsibility and Management Standards Ordinance 2024-01.pdf
Attachment: 2 Estero Financial.pdf
Attachment: 3 Financial Presentation.pdf

b. Ordinance No. 2024-02 Procurement

An Ordinance of the Village Council of the Village of Estero, Florida, Amending Division 3 of Article IV of Chapter 2 of the Village Code Regarding Village Procurement Methods and Procedures; Making Related Findings; and Providing for Severability, Codification and an Effective Date.

Recommended Action
Motion to Pass first reading of Ordinance No. 2024-02 and set second reading for March 20, 2024.

Financial Impact
The Ordinance brings the Village's procurement rules in line with procurement best practices and existing statutes, and improves the efficiency of the Village's procurement function. Therefore, there is no fiscal impact related to the Ordinance's adoption. Minor cost for newspaper advertisement.

Attachment: SS Procurement Code Ord No. 2024 02.pdf
Attachment: 1 Estero Procurement Code Revision Ordinance 2024-02.pdf

c. Ordinance No. 2024-04 Investment

An Ordinance of the Village Council of the Village of Estero, Florida, Creating Division 4 (Investment Policies) of Article IV (Finance) of Chapter 2 of the Village of Estero Code to Create Detailed Policies Related to Investment of Village Funds; Making Related Findings; and Providing for Severability, Codification, and an Effective Date.

Recommended Action
Motion to Pass first reading of Ordinance No. 2024-04 and set second reading for March 20, 2024.

Financial Impact
The Ordinance brings the Village's investment rules in line with best practices and existing statutes, and improves the ability to safeguard and a provide an appropriate rate of investment return for excess funds. Therefore, there is no fiscal impact related to the Ordinance's adoption. Minor cost for newspaper advertisement.

Attachment: SS Ord 2024-04.pdf
Attachment: 1 Estero Investment Policies Ordinance 2024-04.pdf
Attachment: 2 Investment Policy.pdf

9. SECOND READING AND PUBLIC HEARING

a. Ordinance No. 2024-03 Code Enforcement

An Ordinance of the Village Council of the Village of Estero, Florida, Amending Article II of Chapter 1 of the Village Code Regarding Code Enforcement; Making Related Findings; and Providing for Severability, Codification and an Effective Date.

Recommended Action
Motion to adopt Ordinance No. 2024-03.

Financial Impact
The Ordinance brings the Village's published policy more in line with how the Village is already operating the code enforcement function. Therefore, there is no fiscal impact related to the Ordinance's adoption.

Attachment: SS Code Enforcement Ordinance No. 2024-03.pdf
Attachment: Ordinance No 2024-03.pdf

10. COUNCIL COMMUNICATIONS / FUTURE AGENDA ITEMS

11. VILLAGE ATTORNEY'S REPORT

12. VILLAGE MANAGER'S REPORT

Adjourn Regular Session and Convene Workshop Items

13. WORKSHOP

a. Public Resources Advisory Group (PRAG) Rating Strategy and Financial Policy Considerations

Attachment: PRAG SS.pdf
Attachment: PRAG Estero Presentation for Village Council_March 6 mtg _Rev1_ _002_.pdf

14. ADJOURNMENT

General Attachments

- Transcript.pdf

VILLAGE OF ESTERO COUNCIL MEETING
WEDNESDAY, MARCH 6, 2024, 9:30 A.M.

DISCLAIMER:
THIS FILE REPRESENTS AN UNEDITED VERSION OF REALTIME CAPTIONING WHICH SHOULD NEITHER BE RELIED UPON FOR COMPLETE ACCURACY NOR USED AS A VERBATIM TRANSCRIPT.
ANY PERSON WHO NEEDS A VERBATIM TRANSCRIPT OF THE PROCEEDINGS MAY NEED TO HIRE A COURT REPORTER.

09:30:40 >>Mayor McLain: I'D LIKE TO CALL THE MARCH 6, 2024,
09:30:44 9:30 A.M. VILLAGE COUNCIL MEETING TO ORDER.
09:30:48 [SOUNDING GAVEL]
09:30:48 I WOULD LIKE TO REMIND ANYBODY THAT HAS GOT A PHONE OR
09:30:54 BUZZING DEVICE TO PLEASE TURN IT OFF SO IT DOESN'T INTERRUPT
09:30:57 THE MEETING.
09:30:57 AND THEN ANY OF THOSE THAT WILL BE SPEAKING, I'D ASK YOU TO
09:31:02 GET CLOSE TO THE MICROPHONE THAT'S IN THERE AND ALSO WE
09:31:07 LIMIT THE SPEAKING TO THREE MINUTES.
09:31:10 SO THAT WOULD BE GOOD.
09:31:13 I ALSO WANT TO WELCOME TO ALL THOSE IN ATTENDANCE HERE
09:31:16 TODAY.
09:31:17 WE HAVE A NICE CROWD, AND THOSE VIEWING, WELCOME TO THE
09:31:20 VILLAGE OF ESTERO, A PLACE THAT WE CALL PARADISE.
09:31:22 TO KICK THIS MEETING OFF, WE HAVE THE INVOCATION.
09:31:26 THIS MONITORING WE'RE HONORED TO HAVE PASTOR KEVIN MORRIS OF
09:31:29 THE ESTERO COMMUNITY CHURCH WHO WILL DO THE INVOCATION.
09:31:32 WELCOME.

09:31:32 >> THANK YOU, MR. MAYOR.
09:31:34 SHALL WE PRAY?
09:31:38 LORD GOD, GRANT OUR ESTERO LEADERS THE HUMILITY TO RECOGNIZE
09:31:44 THAT WE DON'T SERVE FOR PERSONAL GAIN BUT FOR THE WELL-BEING
09:31:49 OF THE PEOPLE AND THE LANDS OF ESTERO.
09:31:53 MAY THEY EXEMPLIFY THE SPIRIT OF SERVANT LEADERSHIP IN ALL
09:31:57 THEY DO, FOR STAFF MEMBERS AS THEY NAVIGATE THE
09:32:01 CONVERSATIONS AND RESPOND TO PEOPLE'S CONCERNS SO THEY HAVE
09:32:07 WISDOM AND STAMINA TO STEWARD THE POWER OF THE OFFICE THEY
09:32:12 REPRESENT FOR GOOD.
09:32:15 GOD, THANK YOU FOR ALL THE MEN AND WOMEN WHO SERVE ESTERO IN
09:32:19 THE VARIOUS ROLES AND FOR THEIR FAMILIES.
09:32:25 LORD, THANK YOU FOR CARING FOR THE PEOPLE WHO WORK, LIVE,
09:32:31 LEARN, TEACH, AND TRAVEL THROUGH ESTERO.
09:32:38 FINALLY, WE HUMBLY COME BEFORE YOU SEEKING WISDOM FOR
09:32:42 TODAY'S COUNCIL MEETING.
09:32:43 MAY WISDOM, DISCERNMENT, CLEAR MINDS, AND OPEN HEARTS BE THE
09:32:49 NORM.

09:32:51 AMEN.
09:32:51 THANK YOU.
09:32:53 >>Mayor McLain: THANK YOU, KEVIN.
09:32:54 PLEASE JOIN ME IN STANDING FOR THE PLEDGE OF ALLEGIANCE.
09:32:59 [PLEDGE OF ALLEGIANCE]
09:33:15 >>Mayor McLain: MADAM CLERK, WOULD YOU PLEASE CALL THE ROLL.
09:33:18 >>Vice-Mayor Ribble: HERE.

09:33:20 >>Larry Fiesel: HERE.
09:33:21 >>Mayor McLain: HERE.
09:33:23 >>Lori Fayhee: HERE.
09:33:24 >>Rafael Lopez: HERE.
09:33:26 >>Jim Ward: HERE.
09:33:28 >>George Zalucki: HERE.
09:33:30 >>Mayor McLain: NEXT ON THE AGENDA IS THE APPROVAL OF THE
09:33:32 AGENDA.
09:33:33 DOES ANYONE HAVE ANY ADDITIONS, DELETIONS, OR CHANGES?
09:33:36 SINCE I SEE NONE, I WILL TAKE A MOTION TO APPROVE THE
09:33:42 AGENDA.
09:33:42 FIESEL HAS APPROVED THE AGENDA.
09:33:45 LOOKING FOR A SECOND.
09:33:46 COUNCILMEMBER WARD HAS MADE THE SECOND.
09:33:50 MADAM CLERK, WOULD YOU PLEASE CALL THE ROLL?
09:33:53 >>Larry Fiesel: AYE.
09:33:55 >>Lori Fayhee: AYE.
09:33:56 >>Rafael Lopez: AYE.
09:33:58 >>Jim Ward: AYE.
09:33:59 >>George Zalucki: AYE.
09:34:01 >>Vice-Mayor Ribble: AYE.
09:34:02 >>Mayor McLain: AYE.
09:34:03 NEXT ON THE AGENDA, WE WOULD LIKE TO HONOR THE ESTERO HIGH
09:34:09 SCHOOL CAMBRIDGE STUDENTS WHO ARE HERE IN ATTENDANCE, AND WE
09:34:13 WOULD ALSO LIKE TO HONOR THEIR PRINCIPAL, MIKE AMABILE AND

09:34:19 CAROLYN HUTTO, THE CAMBRIDGE AICE COORDINATOR AND EXAMS
09:34:26 OFFICER.
09:34:26 I WOULD ALSO LIKE TO WELCOME GARY WHITE.
09:34:32 HE'S ALSO THE PROUD FATHER OF MADISON WHITE, WHO IS GOING TO
09:34:36 BE RECEIVING AN AWARD LATER THIS MORNING.
09:34:39 JUST TO SET UP THE AGENDA SO WE DON'T RUN INTO EACH OTHER,
09:34:46 I'M GOING TO ASK THE PRINCIPAL AND CAROLYN TO COME UP WHEN I
09:34:53 COME DOWN, COME BACK UP WITH ME.
09:34:55 THEN WE'LL READ OFF THE NAME OF EACH OF THE ATTENDEES.
09:35:00 WHEN YOUR NAME IS CALLED, JUST COME UP AND WE'LL PRESENT
09:35:04 YOUR CAMBRIDGE AWARD AND THEN WE'LL ASK YOU TO GO TO YOUR
09:35:07 SEAT.
09:35:09 WE'LL FOLLOW THAT SAME PROCESS.
09:35:10 I THINK WE HAVE EIGHT OR NINE OTHER STUDENTS.

09:35:12 WE'LL BRING THEM UP AT THE SAME TIME AND READ ONE
09:35:14 PROCLAMATION FOR ALL OF YOU, IF YOU DON'T MIND.
09:35:17 WE'LL MENTION YOUR NAMES.
09:35:18 AND THEN WE WILL TAKE THE APPROPRIATE PHOTOGRAPHS, WE'LL
09:35:25 HAVE EVERYBODY COME BACK UP AND TAKE PHOTOGRAPHS.
09:35:28 LET'S GO AHEAD AND GET STARTED.
09:35:30 WE'LL HAVE MIKE AND CAROLYN COME UP.
09:35:34 GOOD MORNING AGAIN.
09:36:02 I THINK THIS IS REALLY A PROUD DAY FOR THE VILLAGE OF
09:36:04 ESTERO.
09:36:06 I'M EXCITED TO SEE THE EFFORT THAT OUR STUDENTS HAVE PUT

09:36:11 INTO STUDIES AND I REALLY LOOK FORWARD, WITH THAT KIND OF
09:36:15 DEDICATION OF WHAT THEY CAN REALLY DO HERE HOPEFULLY IN THE
09:36:18 VILLAGE OF ESTERO OR WHEREVER YOUR STUDIES PUT YOU IN THE
09:36:21 FUTURE.
09:36:22 BECAUSE, AS WE ALL KNOW, WHEN YOU GET TO BE MY AGE, THE
09:36:24 FUTURE IS IN OUR CHILDREN AND OUR GREAT STUDENTS AND THE
09:36:29 ACCOMPLISHMENTS THAT THEY HAVE DONE OVER THE LAST SEVERAL
09:36:33 YEARS TO GET THESE AWARDS IS VERY NOTABLE.
09:36:35 I KNOW THAT ONE OF MY DAUGHTERS WENT THROUGH THE PROCESS,
09:36:40 AND IT'S TIME-CONSUMING BOTH FOR THE STUDENT, THE TEACHERS,
09:36:44 AND THE PARENTS.
09:36:45 SO CONGRATULATIONS TO ALL OF YOU.
09:36:46 WE HAVE A COUPLE OF DIFFERENT LEVELS OF ACCOMPLISHMENT IN
09:36:51 HERE.
09:36:51 SO THE FIRST IS TO -- VILLAGE OF ESTERO, THERE ARE 39
09:36:57 STUDENTS FROM THE ESTERO HIGH SCHOOL THAT WERE PRESENTED THE
09:36:59 CAMBRIDGE OUTSTANDING LEARNERS AWARD.
09:37:02 I'M NOT GOING TO NAME ALL THEIR NAMES, BUT I'M GOING TO READ
09:37:05 THEIR PROCLAMATIONS.
09:37:07 HERE WE GO.
09:37:08 WHEREAS, THE MISSION OF ESTERO HIGH SCHOOL IS TO PROVIDE
09:37:11 EACH MEMBER OF THEIR DIVERSE STUDENT BODY WITH THE KNOWLEDGE
09:37:16 AND SKILLS NECESSARY TO SUCCEED IN AN INCREASINGLY COMPLEX
09:37:21 WORLD; AND WHEREAS, ESTERO HIGH SCHOOL'S VISION IS "WHERE
09:37:26 STUDENTS COME TO LEARN AND LEAVE TO SUCCEED."

09:37:30 AND WHEREAS, 39 STUDENTS FROM ESTERO HIGH SCHOOL WERE
09:37:33 PRESENTED THE CAMBRIDGE OUTSTANDING LEARNERS AWARD; AND
09:37:37 WHEREAS, THE OUTSTANDING CAMBRIDGE LEARNER AWARDS ARE A
09:37:43 GROUP OF AWARDS ISSUED BY CAMBRIDGE ASSESSMENT INTERNATIONAL
09:37:47 EDUCATION WHO RECOGNIZE EXCEPTIONAL LEARNER ACHIEVEMENT IN
09:37:50 CAMBRIDGE EXAMINATIONS AROUND THE WORLD; AND WHEREAS,
09:37:54 CAMBRIDGE ASSESSMENT INTERNATIONAL EDUCATION QUALIFICATIONS
09:37:58 ARE WIDELY RECOGNIZED BY UNIVERSITIES AND EMPLOYERS.
09:38:03 NOW, THEREFORE, I, JON McLAIN, MAYOR OF THE VILLAGE OF
09:38:07 ESTERO, LEE COUNTY, FLORIDA, DO HEREBY OFFER SINCERE

09:38:11 CONGRATULATIONS TO ESTERO HIGH SCHOOL AND THE 39 STUDENTS
09:38:16 RECOGNIZED FOR OUTSTANDING PERFORMANCE AS WELL AS WISH THEM
09:38:19 EVERY SUCCESS IN THE FUTURE.
09:38:22 IN WITNESS THEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED
09:38:28 THE SEAL OF THE VILLAGE OF ESTERO TO BE AFFIXED THIS 6th
09:38:31 DAY OF MARCH, 2024.
09:38:32 SO CONGRATULATIONS TO ALL 39 OF THOSE STUDENTS.
09:38:37 [APPLAUSE]
09:38:37 THE NEXT PROCLAMATION IS FOR KYRA RITTER, IF SHE COULD
09:38:48 PLEASE COME UP.
09:38:49 WELCOME, KYRA.
09:38:56 I'LL READ HER PROCLAMATION.
09:39:04 WHEREAS, KYRA RITTER IS A SENIOR AT ESTERO HIGH SCHOOL; AND
09:39:11 WHEREAS, KYRA RITTER RECEIVED CAMBRIDGE OUTSTANDING LEARNER
09:39:14 AWARDS WITH DISTINCTION THREE OR MORE TIMES "A" GRADES OR

09:39:19 HIGHER ON CAMBRIDGE INTERNATIONAL EXAMS IN ONE EXAM SERIES.
09:39:24 WHEREAS, CAMBRIDGE ASSESSMENT INTERNATIONAL EDUCATION
09:39:28 PREPARES STUDENTS FOR LIFE HELPING THEM TO DEVELOP AND -- AN
09:39:32 INFORMED CURIOSITY AND A LASTING PASSION FOR LEARNING.
09:39:35 AND WHEREAS, CAMBRIDGE ASSESSMENT INTERNATIONAL EDUCATION IS
09:39:39 A PROVIDER OF INTERNATIONAL QUALIFICATIONS OFFERING
09:39:43 EXAMINATIONS AND QUALIFICATIONS TO 10,000 SCHOOLS IN MORE
09:39:48 THAN 160 COUNTRIES.
09:39:50 NOW, THEREFORE, I JON McLAIN, MAYOR OF THE VILLAGE OF
09:39:53 ESTERO, LEE COUNTY, FLORIDA, DO HEREBY OFFER MY SINCERE
09:39:58 CONGRATULATIONS AND BEST WISHES TO YOU AND KYRA RITTER FOR
09:40:03 EXCEEDING THE STANDARDS WITH HARD WORK AND DEDICATION IN
09:40:07 SCHOLASTICS.
09:40:09 IN WITNESS THEREOF, I HEREUNTO SET MY HAND AND CAUSE THE
09:40:14 SEAL OF THE VILLAGE OF ESTERO OF TO BE AFFIXED THIS 6th
09:40:16 DAY OF MARCH, 2024.
09:40:18 CONGRATULATIONS.
09:40:19 [APPLAUSE]
09:40:19 THE NEXT AWARD THAT WE HAVE IS FOR EIGHT OR NINE STUDENTS.
09:40:47 SEVEN.
09:40:47 WE HAVE EIGHT STUDENTS.
09:40:49 SEVEN ARE ACTUALLY PRESENT HERE.
09:40:51 I'LL READ OFF THE NAMES OF ALL THOSE THAT WILL BE RECEIVING
09:40:54 AN INDIVIDUAL PROCLAMATION, BUT JUST FOR THE MATTER OF
09:40:57 EFFICIENCY, I'LL READ ONE PROCLAMATION AND YOU FOLKS WILL

09:41:02 EACH KNOW IT'S FOR YOU, TOO.
09:41:04 THE OUTSTANDING LEARNER AWARD WITH MERIT GOES TO MOLLIE
09:41:09 DONAGHY, HAILEY JACOB, EMILY McDOWELL, SOPHIE PERKINS,
09:41:15 MADISON WHITE, KEIRA CONREY, ABRAM SARAVIA-LOPEZ AND ALIVIA
09:41:21 BAN.
09:41:22 WHEREAS, EACH OF YOU IS A SENIOR AT ESTERO HIGH SCHOOL.

09:41:34 AND WHEREAS EACH OF YOU RECEIVED CAMBRIDGE OUTSTANDING
09:41:37 LEARNER AWARDS WITH MERIT OF THREE TIMES "B" GRADES OR
09:41:43 HIGHER ON CAMBRIDGE INTERNATIONAL EXAMS IN ONE EXAM SERIES.
09:41:46 WHEREAS, CAMBRIDGE ASSESSMENT INTERNATIONAL EDUCATION
09:41:50 PREPARES STUDENTS FOR LIFE HELPING THEM DEVELOP AN INFORMED
09:41:54 CURIOSITY AND A LASTING PASSION FOR LEARNING; WHEREAS,
09:41:57 CAMBRIDGE ASSESSMENT INTERNATIONAL EDUCATION IS A PROVIDER
09:42:00 OF INTERNATIONAL QUALIFICATIONS, OFFERING EXAMINATIONS AND
09:42:04 QUALIFICATIONS TO 10,000 SCHOOLS AND MORE THAN 160
09:42:09 COUNTRIES.
09:42:09 NOW, THEREFORE, I JON McLAIN, MAYOR OF THE VILLAGE OF
09:42:14 ESTERO, LEE COUNTY, FLORIDA, DO HEREBY OFFER SINCERE
09:42:17 CONGRATULATIONS AND BEST WISHES TO EACH OF YOU AND FOR
09:42:20 EXCEEDING THE STANDARDS WITH HARD WORK AND DEDICATION TO
09:42:24 SCHOLASTICS.
09:42:25 MY READING, I GUESS I COULD TAKE ANOTHER COURSE.
09:42:28 IN WITNESS THEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED
09:42:31 THE SEAL OF THE VILLAGE OF ESTERO TO BE AFFIXED THIS 6th
09:42:34 DAY OF MARCH, 2024.

09:42:35 CONGRATULATIONS EACH OF YOU.
09:42:37 WE WOULD LIKE TO HAVE YOU COME UP AND WE'LL GET A PICTURE.
09:42:41 [APPLAUSE]
09:43:06 IT LOOKS LIKE WE HAVE A FEW PROUD PARENTS HERE.
09:43:09 THANK YOU ALL AND CONGRATULATIONS TO YOU.
09:43:41 WE LOOK FORWARD TO SEEING YOU IN THE FUTURE.
09:43:43 GET EVERYBODY UP HERE.
09:43:47 OKAY.
09:44:01 [APPLAUSE]
09:44:06 >> I'M A FORMER P.E. TEACHER, SO I HAVE A P.E. VOICE WITHOUT
09:44:11 A MIKE.
09:44:11 THAT'S OKAY.
09:44:12 I CAME BACK TO ESTERO LAST YEAR.
09:44:15 I WAS AT ESTERO FROM '03 TO '06 AND THEN I CAME BACK.
09:44:20 I WAS WORKING AT ANOTHER SCHOOL IN THE DISTRICT ALSO DOING
09:44:22 CAMBRIDGE, BUT I AM SO PROUD, LIKE THESE KIDS WORK HARD,
09:44:27 HARD.
09:44:27 IT'S ONE OF THE HARDEST THINGS.
09:44:29 COLLEGE, I THINK WILL FEEL A LITTLE EASIER ON YOUR SCHEDULE
09:44:32 THAN WHAT YOU GUYS GO THROUGH.
09:44:34 I REALLY ADMIRE ALL THE HARD WORK THAT YOU GUYS DO AND THANK
09:44:37 YOU FOR MAKING ESTERO LOOK SO GOOD.
09:44:39 [APPLAUSE]
09:44:44 >>Mayor McLain: THANK YOU, ALL.
09:45:37 NEXT ON THE AGENDA IS GOING TO BE PUBLIC COMMENTS ON

09:45:40 NON-AGENDA ITEMS.
09:45:41 WE WILL NOW TAKE PUBLIC COMMENT.

09:45:45 A CARD MUST BE COMPLETED BEFORE THE MEETING.
09:45:47 YOU WILL ONLY HAVE THREE MINUTES TO SPEAK.
09:45:50 MADAM CLERK, DO WE HAVE ANYONE TO SPEAK?
09:45:52 >>Carol Sacco: NO, MAYOR, WE DO NOT.
09:45:55 >>Mayor McLain: NEXT ON THE AGENDA IS THE CONSENT AGENDA.
09:45:59 BASICALLY THE VILLAGE COUNCIL MEETING NOTES FROM FEBRUARY
09:46:02 21st, 2024.
09:46:04 DO ANY OF THE COUNCIL MEMBERS HAVE COMMENTS OR QUESTIONS OR
09:46:07 CORRECTIONS?
09:46:07 IF NOT, I'LL ENTERTAIN A MOTION.
09:46:11 >>Vice-Mayor Ribble: MOVE TO APPROVE THE MINUTES.
09:46:13 >>Mayor McLain: VICE-MAYOR RIBBLE MADE THE MOTION.
09:46:16 SECOND BY COUNCILMAN LOPEZ.
09:46:17 WOULD THE CLERK PLEASE CALL THE ROLL?
09:46:23 >>George Zalucki: AYE.
09:46:24 >>Jim Ward: AYE.
09:46:26 >>Rafael Lopez: AYE.
09:46:28 >>Lori Fayhee: AYE.
09:46:30 >>Larry Fiesel: AYE.
09:46:30 >>Vice-Mayor Ribble: AYE.
09:46:31 >>Mayor McLain: AYE.
09:46:34 NEXT ON THE AGENDA IS 7A, THE JEFF SOMMER STADIUM TURF
09:46:39 INSTALLATION CONTRACT.

09:46:40 STEVE, WOULD YOU LIKE TO INTRODUCE THIS ITEM?
09:46:45 >>Steven Sarkozy: THANK YOU, MAYOR AND MEMBERS OF COUNCIL.
09:46:47 AS YOU MAY KNOW, LAST NIGHT THE SCHOOL BOARD APPROVED THE
09:46:52 LEASE AND SHARED USE AGREEMENT THAT ALLOWS THE VILLAGE THEN
09:46:56 TO CONTROL 55 ACRES ADJACENT TO THE HIGH SCHOOL FOR THE
09:47:00 PURPOSE OF CREATING OUR SPORTS PARK.
09:47:04 THE IDEA IS THAT THIS IS A COLLABORATION WITH THE SCHOOL
09:47:08 DISTRICT WHERE THEY HAVE PROVIDED THE LAND AND THE VILLAGE
09:47:12 WILL PROVIDE THE IMPROVEMENTS AND THE OPERATIONS AND
09:47:15 MAINTENANCE ON AN ONGOING BASIS FOR A 99-YEAR LEASE AT $10 A
09:47:22 YEAR.
09:47:23 THE COUNCIL APPROVED THAT LEASE AND SHARED USE AGREEMENT
09:47:27 BACK ON JANUARY 24th AND THE APPROVAL LAST NIGHT BY THE
09:47:32 SCHOOL DISTRICT THEN CONCLUDES THE WORK BEHIND THE SCENES TO
09:47:38 GET A CONTRACT COMPLETE.
09:47:42 THE VILLAGE IS NOW ENABLED AND IN THIS CASE OBLIGATED TO
09:47:47 SPEND $10 MILLION OVER THE NEXT FIVE YEARS MINIMALLY TO
09:47:53 IMPROVE THE PARK.
09:47:54 WE HAD HAD IN OUR CAPITAL IMPROVEMENT PROGRAM FOR A LONG
09:48:00 PERIOD OF TIME, WELL IN EXCESS OF $20 MILLION FOR THIS
09:48:04 PURPOSE.
09:48:05 SO THE 10 MILLION OVER FIVE YEARS IS CERTAINLY DOABLE.
09:48:09 A FIRST STEP IN THE PROCESS IS RECOMMENDED AS THE UPGRADE OF
09:48:16 THE FOOTBALL STADIUM WITH ARTIFICIAL TURF, AND THAT IS THE

09:48:20 SUBJECT OF THIS ITEM ON THE AGENDA.

09:48:22 THE JEFF SOMMER STADIUM HAS OLDER TURF.
09:48:27 OUR HOPE IS THAT AS WE REDEVELOP THE FIELDS WITH ARTIFICIAL
09:48:33 TURF, WE'RE NOT GOING TO BE IN A POSITION WHERE WE HAVE TO
09:48:38 LAY FALLOW THE FIELDS WHILE THEY RECOVER FROM INTENSE USE,
09:48:43 BUT WITH ARTIFICIAL TURF, WE CAN USE THOSE FIELDS AS
09:48:47 AGGRESSIVELY AS WE'D LIKE FOR MULTIPLE TEAMS, IN FACT,
09:48:55 MULTIPLE SPORTS AS THE SITUATION MAY ARISE.
09:48:57 SO IN THIS CASE, WE ARE PROPOSING THEN THAT WE UPGRADE THAT
09:49:03 FIELD WITH TOP QUALITY ARTIFICIAL TURF UTILIZING THE HELLAS
09:49:09 CORPORATION FOR THE INSTALLATION OF THE PRODUCT.
09:49:16 THE IMPACT HERE WILL BE JUST UNDER $2 MILLION, AND THIS ITEM
09:49:25 COMES TO YOU WITH A RECOMMENDATION FOR APPROVAL.
09:49:29 IT DOES INCLUDE A CONTINGENCY AMOUNT OF $197,000, BUT THIS
09:49:34 WILL BE THE INSTALLATION -- THE INSTALLATION WILL BE THE
09:49:37 FIRST PROJECT UNDER THE CONTROL OF THE VILLAGE AS WE ASSUME
09:49:41 RESPONSIBILITIES FOR THIS SPORTS PARK.
09:49:46 >>Mayor McLain: THANK YOU, STEVE.
09:49:47 ANY COUNCIL MEMBERS HAVE ANY QUESTIONS OR COMMENTS?
09:49:53 >>Jim Ward: ON THE RELATIONSHIP OF SOURCEWELL AND HELLAS AND
09:49:57 THE VILLAGE AND THE INTERACTION OF THE THREE, HOW WILL THAT
09:50:01 ACTUALLY PROCESS THROUGH THE ENGAGEMENT?
09:50:05 >>Steven Sarkozy: I'LL TURN IT OVER TO THE ATTORNEY.
09:50:07 ATTORNEYS REVIEWED THE PURCHASING PROCEDURES THAT GOT US TO
09:50:12 HELLAS AND CAN COMMENT ON THAT QUESTION.
09:50:15 >>Robert Eschenfelder: SO, COUNCILMEMBER AND COUNCIL,

09:50:19 SOURCEWELL IS A NATIONAL ENTITY WHICH GOES OUT AND SOLICITS
09:50:26 A WHOLE PANOPLY OF THINGS THAT GOVERNMENT AGENCIES MAY WANT,
09:50:31 FROM TRACTORS, FROM JOHN DEERE TO THIS KIND OF FIELD TURF,
09:50:34 ANYTHING THAT YOU CAN REALLY THINK OF.
09:50:37 WHILE CERTAINLY IN THE RUN-OF-THE-MILL SITUATION, WE WANT TO
09:50:41 SOLICIT LOCALLY, TRY TO ALLOW OUR LOCAL AND REGIONAL VENDORS
09:50:45 TO PARTICIPATE, THERE ARE SOME INSTANCES WHERE EITHER
09:50:49 BECAUSE OF TIME CONSTRAINTS OR BECAUSE OF THE LIMITED
09:50:52 COMPETITIVE POOL WHERE IT MIGHT MAKE SENSE TO TURN TO A SORT
09:50:55 OF NATIONAL SOURCEWELL KIND OF RESOURCE, SO HOW IT WORKS
09:50:59 WITH SOURCEWELL IS THAT THEY PUT OUT A REQUEST FOR PROPOSALS
09:51:04 TO ANYBODY IN THE NATION WHO CAN SERVICE NATIONAL OR LOCAL
09:51:09 GOVERNMENTS.
09:51:10 SO IN THIS CASE, THEY ISSUED A SOLICITATION FOR TURF, FOR
09:51:14 FIELD TURF AND RELATED PRODUCT AND SERVICES.
09:51:17 AND HELLAS, WHO IS A NATIONAL AND KNOWN AND RESPECTED
09:51:21 PROVIDER OF THESE RESOURCES SUBMITTED, AND THEY WERE AWARDED
09:51:26 A SOURCEWELL CONTRACT.
09:51:27 SO THEN WHAT HAPPENS IS ANY GOVERNMENT WHO WISHES TO THEN
09:51:33 PIGGYBACK OFF OF THAT SOURCEWELL CONTRACT CAN PIGGYBACK OFF

09:51:38 OF IT.
09:51:38 IT'S AKIN TO WHEN WE HAVE DONE PIGGYBACK AGREEMENTS ON A
09:51:42 CHARLOTTE COUNTY OR A COLLIER COUNTY OR A LEE COUNTY
09:51:45 CONTRACT, BUT IN THIS CASE WE'RE PIGGYBACKING OFF OF THE
09:51:48 SOURCEWELL CONTRACT.

09:51:49 SO OUR CONTRACTUAL RELATIONSHIP ISN'T WITH SOURCEWELL; IT IS
09:51:54 WITH HELLAS.
09:51:55 THAT'S WHO SIGNS THE AGREEMENT.
09:51:56 IT IS JUST THAT WE GAIN THE BENEFIT OF HELLAS' NEGOTIATING A
09:52:01 CONTRACT WITH SOURCEWELL, SO OUR PIGGYBACK CONTRACT LAYS ON
09:52:05 TOP OF THAT AND INCORPORATES MOST OF WHAT HAS ALREADY BEEN
09:52:08 NEGOTIATED WITH TWEAKS THAT ARE NEEDED FOR OUR VILLAGE, LIKE
09:52:11 WHERE THE INVOICE GO, ADDRESSING FLORIDA PUBLIC RECORDS LAW,
09:52:15 THINGS LIKE THAT.
09:52:16 THE PRICING HAS ALSO BEEN SET.
09:52:20 HELLAS WAS REQUIRED TO PUT FORTH ITS PRICING, LINE ITEM
09:52:24 PRICING AND SO FORTH.
09:52:26 IT WOULD OFFER TO THE GOVERNMENT ENTITIES THAT AWARD UNDER
09:52:29 THAT CONTRACT UP FRONT.
09:52:32 SO WE LOOKED AT YOUR -- YOUR VILLAGE STAFF LOOKED AT THOSE
09:52:35 AND FELT THAT THOSE WERE COMPETITIVELY APPROPRIATE FOR THE
09:52:38 MARKETPLACE.
09:52:39 AND SO WE DIDN'T EVEN REALLY HAVE TO NEGOTIATE THE PRICE.
09:52:42 ALL WE DID WAS TO TELL HELLAS WHAT WE WANTED BUILT AND THEN
09:52:46 THEY GAVE US A PRICE BASED UPON THEIR SET PRICING THAT THEY
09:52:50 GAVE SOURCEWELL.
09:52:51 DOES THAT ANSWER YOUR QUESTION?
09:52:53 >>Jim Ward: GOING FORWARD, ANY ISSUES, DISCUSSIONS WILL BE
09:52:56 DIRECT BETWEEN THE VILLAGE AND HELLAS.
09:52:57 >>Robert Eschenfelder: THAT IS ABSOLUTELY CORRECT.

09:52:59 SOURCEWELL IS NOT IN THE MIDDLE OF OUR AGREEMENT.
09:53:02 >>Jim Ward: THANK YOU.
09:53:03 >>Robert Eschenfelder: YOU'RE WELCOME.
09:53:03 >>Mayor McLain: ANY OTHER QUESTIONS?
09:53:05 >>George Zalucki: MR. MAYOR, I WOULD LIKE TO MAKE A COMMENT.
09:53:07 IT WAS EXCITING TO SEE WHAT THE SCHOOL DISTRICT DID LAST
09:53:10 NIGHT.
09:53:10 I WATCHED THE MEETING.
09:53:11 THEY VOTED IN THE AFFIRMATIVE AND HERE WE ARE MERELY 16
09:53:14 HOURS LATER TAKING ACTION TO MAKE THIS A GREAT RECREATION
09:53:18 AND A GREAT PARTNERSHIP WITH LEE COUNTY SCHOOLS.
09:53:20 I'M VERY EXCITED ABOUT THIS PROJECT.
09:53:22 STEVE AND STAFF, THANK YOU SO MUCH FOR GETTING IT TO US WHEN
09:53:25 YOU DID.
09:53:26 IT'S VERY EXCITING, AND TO SEE THE PRODUCT.
09:53:30 I THINK WE'VE ALL TAKEN A LOOK AT THE TURF.

09:53:32 THIS IS NFL GRADE TURF.
09:53:35 SO WE'RE GOING TO HAVE STATE-OF-THE-ART MATERIALS RIGHT HERE
09:53:40 IN THE VILLAGE OF ESTERO AND LEE COUNTY SCHOOLS.
09:53:42 VERY EXCITING.
09:53:43 THANK YOU.
09:53:43 >>Mayor McLain: SINCE WE HAD THE ATHLETIC DIRECTOR HERE, WE
09:53:46 SHOULD HAVE PUMPED HIM AND SAID WE HAVE A BRAND-NEW FIELD
09:53:50 AND WE EXPECT A AAA SEASON WHEN YOU PLAN ON THAT KIND OF
09:53:54 TURF.

09:53:54 WE'LL GET HIM AT A LATER DATE, RIGHT, STEVE?
09:53:57 ANY OTHER COMMENTS?
09:54:00 >>Vice-Mayor Ribble: ONLY THAT IT WILL BE A GORGEOUS FIELD
09:54:02 THAT EVERYONE CAN BE PROUD OF.
09:54:03 I THINK THE SCHOOL WILL BE VERY PROUD AND ANXIOUS FOR THE
09:54:07 PUBLIC TO SEE HOW BEAUTIFUL IT WILL BE.
09:54:10 >>Steven Sarkozy: MAYOR, JUST ONE COMMENT.
09:54:11 THE REASON FOR THE URGENCY, OF COURSE, I THINK THE COUNCIL
09:54:14 KNOWS THIS, BUT FOR THE BENEFIT OF THE PUBLIC, THE SCHOOL
09:54:17 NEEDS THE FOOTBALL FIELD BY AUGUST 1st.
09:54:20 SO WE DON'T HAVE A WHOLE LOT OF TIME HERE TO GET THIS DONE.
09:54:25 IT'S A BIG PROJECT.
09:54:26 OUR INTENT AND THE AGREEMENT STATES THAT WE'LL HAVE IT READY
09:54:30 FOR AUGUST 1st FOR PRACTICE AND THEN THE VARSITY SEASON
09:54:35 WITH VARSITY AND JUNIOR VARSITY AND EVERYTHING ELSE.
09:54:41 >>Mayor McLain: THIS IS QUICK ACTION FOR A PUBLIC ENTITY
09:54:46 LIKE WE ARE HERE.
09:54:47 GOOD TO SEE IT GO THROUGH.
09:54:49 >>Larry Fiesel: I BELIEVE I JUST HEARD SOME MACHINERY START
09:54:52 UP.
09:54:53 [LAUGHTER]
09:54:58 >>Mayor McLain: DO WE HAVE ANYBODY SIGNED UP FROM THE
09:55:00 PUBLIC?
09:55:00 >>Carol Sacco: NO, MAYOR, WE DON'T.
09:55:02 NO E-COMMENTS EITHER.

09:55:05 >>Mayor McLain: I WILL NOW ENTERTAIN A MOTION ON THIS ITEM.
09:55:07 FOR APPROVAL.
09:55:10 >>George Zalucki: MR. MAYOR, SO MOVED.
09:55:12 >>Mayor McLain: SECONDED I THINK I SAW THE VICE-MAYOR'S
09:55:16 HAND.
09:55:17 WE HAVE A FIRST AND SECOND.
09:55:18 MADAM CLERK, PLEASE CALL THE ROLL.
09:55:21 >>Larry Fiesel: AYE.
09:55:23 >>Lori Fayhee: AYE.
09:55:24 >>Rafael Lopez: AYE.
09:55:25 >>Jim Ward: AYE.
09:55:27 >>George Zalucki: AYE.

09:55:28 >>Vice-Mayor Ribble: AYE.
09:55:30 >>Mayor McLain: AYE.
09:55:31 NEXT ON THE AGENDA IS ITEM 7B, PROJECT MANAGER SERVICES
09:55:36 CONTRACT.
09:55:36 STEVE, PLEASE INTRODUCE THIS ITEM.
09:55:38 >>Steven Sarkozy: THANK YOU, MAYOR AND MEMBERS OF COUNCIL.
09:55:40 WE OPERATE IN THE VILLAGE UNDER THIS NOTION OF GOVERNMENT
09:55:44 LIGHT WITH A RELATIVELY FEW FULL-TIME STAFF TO MANAGE THE
09:55:50 ENTIRE OPERATIONS OF THE VILLAGE.
09:55:53 FOR A CITY OF JUST ABOUT 42,000, WE HAVE ABOUT A DOZEN
09:55:58 STAFF.
09:55:59 WE'RE GOING FROM A PERIOD NOW WHERE WE'VE BEEN IN AGGRESSIVE
09:56:04 PLANNING AND PROJECT FORMATION STAGES, AND WE'VE BEEN

09:56:10 AMASSING BUDGET ALLOCATIONS GETTING READY TO GO ON SOME OF
09:56:16 THESE PROJECTS.
09:56:18 AND WE'VE GOT A HUGE AMOUNT OF WORK THAT'S AHEAD OF US, NOT
09:56:23 ONLY WITH THE SCHOOL DISTRICT ON THE SCHOOL DISTRICT
09:56:25 PROPERTY, BUT A VARIETY OF OTHER AREAS.
09:56:27 SO WHAT WE'RE PROPOSING IS THAT WE BRING ON BOARD TO HELP US
09:56:32 GET THESE PROJECTS DONE THE VIESTE CORPORATION AS A PROJECT
09:56:38 MANAGER FOR SEVERAL OF THESE PROJECTS.
09:56:41 THE FIRM WOULD SERVE AS OUR PROJECT MANAGER AND HANDLE ALL
09:56:47 ASPECTS OF CONSTRUCTION AND COORDINATION DURING THE ENTIRE
09:56:54 PROJECT IMPLEMENTATION PHASE.
09:56:57 AND THE BEAUTY OF THIS IS, OF COURSE, AS WE TOOL UP TO GET
09:57:01 THESE PROJECTS DONE, WE CAN EASILY SCALE BACK AND REVERT TO
09:57:07 THE SAME GOVERNMENT LIGHT APPROACH.
09:57:09 SO THIS IS THE WAY WE WOULD PROVIDE FLEXIBILITY IN THE
09:57:15 STAFFING TO GET THESE THINGS DONE.
09:57:18 THESE PROJECTS DON'T HAPPEN ON THEIR OWN.
09:57:20 SO WE'RE RECOMMENDING TO YOU THAT WE ADOPT THIS CONTRACT
09:57:24 THAT PROVIDES FOR OVERALL MANAGEMENT SERVICES.
09:57:30 THIS ACTUALLY, THE FIRM IS RATHER CONSISTENT WITH THE
09:57:33 PUBLIC-PRIVATE PARTNERSHIP APPROACH.
09:57:37 EVEN AS A PRIVATE ENTITY, THEY WILL BE AN EXTENSION OF STAFF
09:57:40 AND WILL BE A RESOURCE TO STAFF AND THE VILLAGE COUNCIL AND
09:57:43 THE PUBLIC AS WE MOVE FORWARD.
09:57:45 SO THIS COMES TO YOU WITH A RECOMMENDATION FOR APPROVAL.

09:57:50 >>Mayor McLain: THANK YOU.
09:57:51 ANY COMMENTS FROM COUNCIL?
09:57:54 >>Jim Ward: STEVE, A COUPLE OF COMMENTS.
09:57:56 I NOTICE THERE'S NO FINANCIAL IMPACT IN THE OPENING
09:58:01 COMMENTS, BUT IN THE DETAILS, IT'S 59,300 PER MONTH.
09:58:06 >>Steven Sarkozy: CORRECT.
09:58:09 >>Jim Ward: PLUS REIMBURSABLE EXPENSES.
09:58:11 JUST WANT TO MAKE THAT NOTE.

09:58:13 IF YOU LOOK AT PAGE 10 OF THE DOCUMENT, IT'S A SIGNIFICANT
09:58:20 AMOUNT OF WORK THAT VIESTE WILL BE TAKING ON IN TERMS OF THE
09:58:24 NUMBER OF PROJECTS OUTLINED IN THE SCOPE OF SERVICES.
09:58:28 WHICH IS A LITTLE SURPRISING TO ME.
09:58:31 I THOUGHT IT WAS PRETTY MUCH ONE TO TWO THINGS THAT THEY
09:58:34 WERE PRIMARILY INVOLVED WITH, PRIMARILY THE SPORTS AND
09:58:37 MANAGEMENT COMPLEX, BUT THIS REALLY ENCOMPASSES A LOT MORE.
09:58:45 I'M ALSO LOOKING AT THE STAFF MATRIX IN ATTACHMENT C.
09:58:51 I'M WONDERING, ARE ALL OF THOSE PEOPLE GOING TO BE DEDICATED
09:58:54 TO THE PROJECT GIVEN THE SCOPE OF RESPONSIBILITIES?
09:58:57 >>Steven Sarkozy: YES, THEY ALL HAVE DIFFERENT ROLES WITH
09:58:59 US.
09:59:00 THERE WILL BE ONE FULL-TIME PERSON, BUT THEN A NUMBER OF
09:59:03 OTHER PEOPLE THAT WORK WITH US ON AN ONGOING BASIS.
09:59:11 >>Jim Ward: IS THERE A PRIORITY TO THE PROGRAM MANAGEMENT OR
09:59:14 THE SCOPE OF SERVICES?
09:59:16 >>Steven Sarkozy: YES.

09:59:17 THE SPORTS AND ENTERTAINMENT COMPLEX AT THE VILLAGE CENTER
09:59:20 HUB, WHICH IS THE PICKLEBALL AND HIGH 5 FACILITY, OF COURSE,
09:59:25 IS ON A FAST TRACK TO TRY TO GET THAT DONE.
09:59:28 WE'RE IN PERMITTING NOW.
09:59:30 ALL OF THOSE RESPONSIBILITIES ACCRUE TO VIESTE.
09:59:33 SIMILARLY, THE SPORTS PARK CAMPUS WITH THE HIGH SCHOOL, THE
09:59:38 FOOTBALL FIELD IS ONLY THE FIRST STEP.
09:59:42 VERY SHORTLY HERE YOU'LL GET ANOTHER CONTRACT FOR THE
09:59:45 REBUILD AND UPGRADE OF THE TENNIS COURTS, COVERED BASKETBALL
09:59:53 COURTS AND A COUPLE OF PICKLEBALL COURTS THAT CAN BE USED BY
09:59:58 THE HIGH SCHOOL BUT ALSO BY THE COMMUNITY.
10:00:02 THEN WE'LL GO INTO THE PLANNING STAGE FOR THE SPORTS PARK
10:00:07 YET IN PROBABLY THE SECOND OR THIRD QUARTER OF THIS YEAR,
10:00:10 WHICH WILL HELP REFINE THE DESIGN FOR THE BALANCE OF THE 55
10:00:16 ACRES.
10:00:17 THAT WILL COME BACK TO THE COUNCIL PROBABLY LATE THIS YEAR
10:00:20 OR EARLY NEXT, AND IT WILL BE UP TO YOU TO DECIDE HOW
10:00:24 AGGRESSIVE WE WANT TO PURSUE THAT BUILD-OUT.
10:00:27 WE COULD DO IT ALL AT ONCE OR DO IT IN STAGES.
10:00:30 THAT WILL INCLUDE NEW ROADWAYS -- NEW DRIVEWAY INTO THE
10:00:36 PARK, FENCING, LANDSCAPING, SOCCER FIELDS, LACROSSE FIELDS,
10:00:46 AND OTHER STUFF AS WELL.
10:00:47 BUT THAT WILL INVOLVE COMMUNITY PLANNING PROCESS THAT VIESTE
10:00:52 WILL COORDINATE SO THAT ALL OF THE POTENTIAL USERS IN THE
10:00:57 COMMUNITY CAN AVAIL THEMSELVES OF THE FACILITY.

10:01:02 THEN AS WE CONTINUE OUR BUILD-OUT OF OTHER PROJECTS, THEY
10:01:10 WILL BE AVAILABLE ON CALL TO RAMP UP OR RAMP DOWN AS NEEDED
10:01:14 ON THOSE OTHER PROJECTS.
10:01:16 BUT THE SPORTS PARK WILL BE THE IMMEDIATE OBJECTIVE TO GET

10:01:20 THAT UP AND RUNNING.
10:01:24 >>Mayor McLain: ANY OTHER QUESTIONS?
10:01:28 >>Vice-Mayor Ribble: SO VIESTE WILL BE THE PEOPLE THAT GO
10:01:30 OUT AND SOLICIT RFPs ON OUR BEHALF AND RESEARCH THEM AND
10:01:34 THEN COME BACK TO US WITH WHOM THEY THINK SHOULD GO ON WITH
10:01:37 WHATEVER FUTURE PROJECT WE DO NEXT.
10:01:39 >>Steven Sarkozy: CORRECT.
10:01:40 WE'RE OFF-LOADING AS MUCH AS WE CAN HERE IN THE
10:01:45 IMPLEMENTATION BECAUSE IT'S VERY TIME-CONSUMING AND IT TAKES
10:01:50 A SKILL SET THAT WE JUST DON'T HAVE HERE.
10:01:52 I MEAN WE HAVE, BUT IT'S ON A LIMITED BASIS.
10:01:55 I DON'T WANT TO MINIMIZE THE SKILL SET OF THE STAFF, BUT WE
10:02:01 ONLY HAVE SO MUCH BANDWIDTH.
10:02:03 >>Vice-Mayor Ribble: THANK YOU.
10:02:05 >>George Zalucki: THANK YOU, MAYOR.
10:02:06 I WOULD LIKE TO SPEAK IN SUPPORT OF THEIR SERVICES.
10:02:09 VIESTE I THINK HAS PROVEN TO BE A GREAT PARTNER IN THE
10:02:12 RECREATIONAL SITE THAT WE'VE BEEN WORKING ON FOR QUITE SOME
10:02:15 TIME.
10:02:16 I'M EXCITED TO ACTUALLY START TO GET PROJECTS EXECUTED.
10:02:19 AND I THINK THAT'S PROBABLY WHERE WE ARE A LITTLE BIT STUCK

10:02:23 IS BECAUSE OF THE RESTRICTIONS THAT WE HAVE WITH STAFF
10:02:25 BECAUSE OF GOVERNMENT LIGHT.
10:02:27 SO THIS TO ME IS A GREAT ALTERNATIVE.
10:02:30 I TAKE A LOOK AT SAFETY VALVES WHEN WE'RE COMING TO
10:02:34 CONTRACTUAL SITUATIONS.
10:02:37 YES, IT MIGHT APPEAR LIKE IT'S A LOT OF MONEY, BUT AS JIM
10:02:41 MENTIONED, THERE ARE A LOT OF SERVICES HERE.
10:02:42 IF YOU TAKE A LOOK AT THE PROGRAMMING AND THE FINANCIAL
10:02:44 OVERSIGHT AND THE CONSULTING OF ALL OF THESE PROJECTS THAT
10:02:47 WE HAVE ALL BEEN WORKING ON FOR YEARS, AND MICHAEL AND HIS
10:02:51 TEAM IS GOING TO BE ABLE TO START THE EXECUTION, THAT GETS
10:02:53 ME REALLY EXCITED.
10:02:55 TO KNOW THAT THIS IS NOT A CONTRACT IN PERPETUITY EITHER
10:02:59 PARTY CAN SEPARATE WITH A 90-DAY NOTICE, SO AT THE END OF
10:03:02 THE DAY, IF WE'RE NOT GETTING WHAT WE'RE PAYING FOR, WE HAVE
10:03:04 A DISCUSSION WITH MICHAEL.
10:03:06 SO THAT MAKES ME FEEL GOOD THAT WE'RE BEING GOOD STEWARDS OF
10:03:09 THE VILLAGE'S MONEY.
10:03:10 AGAIN, I SPEAK IN SUPPORT OF THIS AND LET'S GET THE PROJECTS
10:03:15 ROLLING.
10:03:15 THANK YOU.
10:03:16 >>Mayor McLain: THANK YOU.
10:03:17 ANY OTHER QUESTIONS?
10:03:19 I SUPPORT WHAT GEORGE JUST STATED IN THERE.
10:03:21 I THINK WE HAVE BEEN WORKING ON THESE PROJECTS.

10:03:25 ONE OF THE ADVANTAGES OF BEING VILLAGE LIGHT IS WE MAINTAIN
10:03:29 LOWER COSTS WHEN WE DON'T HAVE A LOT OF PROJECTS, BUT WE'VE
10:03:32 BEEN WORKING ON THESE PROJECTS FOR YEARS, AND WHEN IT RAINS
10:03:36 SOMETIMES, IT POURS, AND WE GOT A LOT ON OUR TABLE RIGHT
10:03:40 NOW.
10:03:40 AND I ALSO TRUST THAT WITH THIS KIND OF A CONTRACT FOR
10:03:44 SERVICES, IT WILL ALLOW OUR STAFF TO DO OTHER NECESSARY
10:03:48 WORK.
10:03:49 IN ADDITION TO THE ENTERTAINMENT STUFF THAT WE HAVE HERE, WE
10:03:52 HAVE SEPTIC TO SEWER PROJECTS GOING ON.
10:03:55 AND WE'RE LOOKING FOR GRANTS TO FUND RAILS FOR TRAILS AND
10:03:59 THAT.
10:03:59 SO WE CAN ONLY DO SO MUCH WITH OUR STAFF AND IT IS RIGHT
10:04:03 THAT WE BEEF UP FOR THIS AND AS THINGS SLOW DOWN SOMEWHAT
10:04:08 HERE IN THE FUTURE, THEN WE CAN CUT BACK THIS COST AND WE
10:04:11 WILL GET THESE EXECUTED.
10:04:13 I THINK EVERYBODY HERE ON THE COUNCIL WANTS TO SEE THESE
10:04:17 THINGS DONE.
10:04:18 I KNOW OUR CITIZENS WOULD LIKE TO SEE IT.
10:04:20 IT'S NICE TO TALK ABOUT IT.
10:04:21 AND THERE IS A LAG TIME.
10:04:22 THESE AREN'T GOING TO HAPPEN IN A YEAR.
10:04:25 SOME OF THEM MAY, BUT IT'S GOING TO TAKE US SEVERAL YEARS TO
10:04:29 GET THIS FULLY IMPLEMENTED TO THE WAY WE VISUALIZE, LIKE THE
10:04:34 SCHOOL WON'T BE -- THE FOOTBALL FIELD WILL BE DONE AND THE

10:04:37 REST, BUT IT WILL TAKE US SOME TIME TO DO THE WHOLE PROJECT
10:04:40 IN THERE.
10:04:41 I THINK THIS CONTRACT AIDS US AS A VILLAGE TO BE ABLE TO
10:04:47 ENHANCE THE VISION THAT WE'VE HAD FOR THE VILLAGE, WHICH HAS
10:04:51 BEEN SUPPORTED BY THE STUDIES THAT WE'VE DONE WITH THE
10:04:54 PUBLIC AS TO WHAT DO YOU WANT THE VILLAGE OF ESTERO TO LOOK
10:04:57 LIKE IN THE FUTURE.
10:04:58 SO WE'VE BEEN KIND OF TICKING THOSE THINGS OFF AND WHERE WE
10:05:01 ARE TODAY IS REALLY GRATIFYING TO SEE.
10:05:06 AND I THINK THIS CONTRACT WILL HELP US GET THIS THING DONE.
10:05:09 ANY OTHER COMMENTS?
10:05:10 NO OTHER COMMENTS, MADAM CLERK, DO WE HAVE ANY PUBLIC
10:05:14 COMMENTS?
10:05:15 >>Carol Sacco: WE HAVE NO E-COMMENTS AND NO PUBLIC COMMENT.
10:05:18 >>Mayor McLain: AT THIS POINT, I WILL ENTERTAIN A MOTION TO
10:05:21 MOVE THIS ITEM FORWARD.
10:05:23 COUNCILMAN WARD HAS MADE THE MOTION.
10:05:25 I NEED A SECOND.
10:05:27 SECONDED BY COUNCILMAN FIESEL.
10:05:29 MADAM CLERK, WOULD YOU PLEASE CALL THE ROLL?
10:05:32 >>George Zalucki: AYE.
10:05:33 >>Jim Ward: AYE.

10:05:35 >>Rafael Lopez: AYE.
10:05:37 >>Lori Fayhee: AYE.
10:05:39 >>Larry Fiesel: AYE.

10:05:40 >>Vice-Mayor Ribble: AYE.
10:05:40 >>Mayor McLain: AYE.
10:05:42 THE NEXT ITEM ON THE AGENDA IS 8A.
10:05:46 IT IS THE FIRST READING OF ORDINANCE NUMBER 2024-01,
10:05:52 FINANCIAL RESPONSIBILITY.
10:05:53 MADAM CLERK, WOULD YOU PLEASE READ THE TITLE OF THIS
10:05:57 ORDINANCE?
10:05:58 >>Carol Sacco: ORDINANCE 2024-01, AN ORDINANCE OF THE
10:06:02 VILLAGE COUNCIL OF THE VILLAGE OF ESTERO, FLORIDA, AMENDING
10:06:04 ARTICLE IV, FINANCE, OF CHAPTER 2 OF THE VILLAGE OF ESTERO
10:06:07 CODE TO CREATE ENHANCED FINANCIAL RESPONSIBILITY AND
10:06:10 MANAGEMENT STANDARDS; MAKING RELATED FINDINGS; AND PROVIDING
10:06:14 FOR SEVERABILITY, CODIFICATION AND AN EFFECTIVE DATE.
10:06:17 >>Mayor McLain: THANK YOU.
10:06:18 STEVE, WOULD YOU PLEASE INTRODUCE THIS ORDINANCE?
10:06:21 >>Steven Sarkozy: THANK YOU, MAYOR AND MEMBERS OF COUNCIL.
10:06:24 AS WE BRIEFED YOU IN THE PAST ABOUT THIS, WE'VE BEEN
10:06:28 OPERATING SINCE THE INCORPORATION OF THE VILLAGE WITH A VERY
10:06:35 STRONG SET OF GUIDELINES, FINANCIAL AND OPERATIONAL
10:06:40 GUIDELINES, THAT HAVE PUT US INTO A VERY FAVORABLE
10:06:45 SITUATION.
10:06:51 WE HAVE MANAGED OUR FINANCES TO THE STANDARD WHERE WE HAVE
10:06:56 ONE OF THE LOWEST TAX RATES, AS YOU KNOW, IN THE STATE,
10:07:00 CERTAINLY THE LOWEST TAX RATE IN SOUTHWEST FLORIDA.
10:07:04 WE HAVE A RELATIVELY FEW NUMBER OF STAFF, AND WE ARE IN A

10:07:10 POSITION WITH A VERY STRONG CASH POSITION TO BE LOOKING AT
10:07:15 SOME OF THE PROJECTS THAT HAVE BEEN DESIRED WITH THE ABILITY
10:07:19 TO MOVE FORWARD AND FUND THOSE PROJECTS ON A PAY-AS-YOU-GO
10:07:24 BASIS.
10:07:24 THIS IS REALLY AN IDEAL OPPORTUNITY BEFORE WE GET INTO AN
10:07:33 AGGRESSIVE SPENDING MODE TO GET THESE PROJECTS DONE, THAT WE
10:07:37 FIX OUR MANAGEMENT AND FINANCIAL POLICIES TO STANDARDS THAT
10:07:44 ARE AMONG THE HIGHEST THAT WE CAN THINK OF NOT ONLY LOCALLY
10:07:52 BUT CERTAINLY WITHIN THE STATE AND BEYOND.
10:07:55 THIS IS INTENDED TO LOCK DOWN AND PROVIDE A VERY SOUND
10:08:05 FINANCIAL BASE FOR THE COMMUNITY GOING FORWARD, AND IN ONE
10:08:09 SENSE, THIS IS ONE OF THE MOST IMPORTANT LEGACY EFFORTS THAT
10:08:13 WE COULD BE INVOLVED IN.
10:08:15 SO WHAT IS COMING TO YOU STARTING TODAY IS A SERIES OF
10:08:21 POLICIES IN VARIOUS CATEGORIES THAT ALLOW US TO FRAME THE
10:08:30 WAY WE DO BUSINESS GOING FORWARD TO ENSURE THAT WE JUST HAVE
10:08:37 A VERY STRONG FINANCIAL AND OPERATIONAL BASE.
10:08:41 THAT GIVES YOU THE FLEXIBILITY AT SOME POINT IN THE FUTURE,

10:08:47 IF YOU NEED TO, TO DO A BOND ISSUE AT VERY FAVORABLE RATES
10:08:54 AND, OF COURSE, THIS LEADS UP TO THE POSSIBILITY OF DOING A
10:08:59 -- GETTING A FORMAL BOND RATING FROM MOODY'S AND/OR
10:09:04 STANDARD & POOR'S.
10:09:06 AND IN ORDER TO KICK THIS OFF, I'D LIKE TO TURN IT OVER TO
10:09:09 KEVIN GREENVILLE, OUR FINANCE DIRECTOR, WHO HAS PREPARED A
10:09:15 GENERAL PACKAGE HERE THAT PROVIDES OVERSIGHT OR OVERVIEW OF

10:09:19 SOME OF THE FISCAL AND MANAGEMENT STANDARD POLICIES THAT ARE
10:09:23 COMING TO YOU.
10:09:24 KEVIN?
10:09:27 >>Mayor McLain: WELCOME, KEVIN.
10:09:28 >>Kevin Greenville: THANK YOU, STEVE.
10:09:30 GOOD MORNING, MAYOR AND COUNCIL.
10:09:31 I DO APOLOGIZE FOR GIVING YOU GUYS A DESK PACKET THIS
10:09:36 MORNING WITH SO MANY PAGES.
10:09:39 THIS WAS A LOT OF WORK AND A LOT OF EFFORT WENT INTO IT WITH
10:09:44 VILLAGE STAFF TO COMPLETE.
10:09:45 AS STEVE SAID, WE HAVE A LOT OF PROJECTS COMING UP AND A LOT
10:09:50 OF MONEY THAT IS GOING TO BE GOING OUT THE DOOR.
10:09:53 WE HAVE ENGAGED PUBLIC RESOURCE ADVISORY GROUP TO BE OUR
10:09:57 REGISTERED MUNICIPAL ADVISOR.
10:10:01 AS PART OF THIS EFFORT AND COMING UP WITH A FINANCING PLAN,
10:10:07 WE ARE PRESENTING A COMPREHENSIVE FINANCIAL MANAGEMENT,
10:10:12 FINANCIAL RESPONSIBILITY AND MANAGEMENT STANDARDS.
10:10:15 THAT IS GOING TO BE ONE ORDINANCE AND THAT IS THE FIRST
10:10:17 ORDINANCE THAT IS BEING PRESENTED.
10:10:20 THERE ARE TWO OTHER ORDINANCES THAT ARE GOING TO BE
10:10:22 PRESENTED TODAY.
10:10:22 ONE IS AN INVESTMENT ORDINANCE.
10:10:25 THAT IS TO ESTABLISH THE PARAMETERS FOR HOW WE CAN SAY
10:10:29 ACCESS ADDITIONAL CAPITAL THAT WE DON'T NEED FOR OPERATING
10:10:33 EXPENDITURES.

10:10:34 AND THE THIRD ORDINANCE IS GOING TO BE A PROCUREMENT
10:10:37 ORDINANCE.
10:10:38 WE DO HAVE A PROCUREMENT CODE.
10:10:40 THIS ONE REALLY ENHANCES IT.
10:10:42 IT PROTECTS THE VILLAGE AND ALLOWS US, I THINK, A LITTLE BIT
10:10:46 MORE FLEXIBILITY IN HOW WE PROCURE OUR ITEMS.
10:10:49 THE FIRST PRESENTATION, THIS IS GOING TO BE ON THE FIRST
10:10:53 ORDINANCE, WHICH IS THE VILLAGE OF ESTERO FINANCIAL
10:10:56 RESPONSIBILITY AND MANAGEMENT STANDARDS.
10:10:58 THE POLICY IS 22 PAGES.
10:11:00 SO THIS IS A BRIEF OVERVIEW.
10:11:02 THIS IS JUST A FIRST INTRODUCTION AND READING.
10:11:05 IF YOU GUYS CHOOSE TO DO SO, YOU WILL NOT ADOPT IT UNTIL THE
10:11:08 NEXT COUNCIL MEETING.

10:11:09 SO THERE'S PLENTY OF TIME FOR YOU GUYS TO REVIEW, ASK US
10:11:13 QUESTIONS AND MAKE SURE WE ANSWER ANY OF YOUR CONCERNS.
10:11:15 JUST A LITTLE BIT OF A BACKGROUND, HISTORICALLY, THE VILLAGE
10:11:20 FINANCIAL AND MANAGEMENT POLICIES HAVE BEEN SCATTERED AMONG
10:11:24 DIFFERENT DOCUMENTS AND LEGISLATIVE ACTIONS.
10:11:25 IT'S OUR INTENT TO CONSOLIDATE ALL FINANCIAL AND MANAGEMENT
10:11:28 POLICIES INTO ONE COMPREHENSIVE DOCUMENT, ALONG WITH THE
10:11:31 OTHER TWO ORDINANCES THAT I MENTIONED, THE INVESTMENT POLICY
10:11:34 AND THE PROCUREMENT POLICY, THESE POLICIES WILL ACT AS THE
10:11:37 GUIDING FINANCIAL AND MANAGEMENT DOCUMENTS FOR THE VILLAGE.
10:11:41 SO THE PURPOSE OF THESE ORDINANCES, THE MANAGEMENT AND

10:11:47 FINANCIAL POLICY STATEMENT, IT'S ADOPTED THROUGH ORDINANCE
10:11:50 BY THE VILLAGE COUNCIL.
10:11:52 IT'S GOING TO PROVIDE THE GUIDELINES TO THE VILLAGE IN
10:11:54 MANAGING AND ORGANIZING OUR FINANCES.
10:11:57 SOME OF THE POLICY STATEMENTS ARE DRIVEN BY REQUIREMENTS OF
10:12:01 STATE LAW OR OUR VILLAGE CHARTER.
10:12:04 OTHERS ARE DOCUMENTED BY BEST PRACTICES AND OUR RECOMMENDED
10:12:09 OPERATING POLICIES.
10:12:10 SO THE FIRST SECTION OF THIS POLICY AND ORDINANCE IS GOING
10:12:16 TO BE ACCOUNTING, AUDITING, AND FINANCIAL REPORTING.
10:12:19 THIS ONE IS PRETTY BORING AND IT'S OUR BEST PRACTICES FOR
10:12:23 THESE THINGS.
10:12:24 WE'LL MAINTAIN THE HIGHEST STANDARDS OF ACCOUNTING
10:12:27 PRACTICES, AND THAT'S GOING TO BE IN CONFORMANCE WITH GAAP,
10:12:32 WHICH IS GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.
10:12:34 THESE POLICIES COMPLY WITH ALL STATUTORY AND LEGAL
10:12:37 REQUIREMENTS AND IT JUST GOES INTO HOW OUR MONTHLY FINANCIAL
10:12:42 PRESENTATIONS OF STATEMENTS TO COUNCIL, OUR AUDIT REPORT,
10:12:46 HOW WE DO THAT.
10:12:47 THAT IS WHAT SECTION 1 IS.
10:12:51 SECTION 2 JUST GOES INTO OUR CONSULTANTS, HOW WE HIRE
10:12:55 CONSULTANTS, WHAT WE LOOK FOR TO MACHINING THE VILLAGE'S
10:13:00 FINANCIAL FUNCTIONS.
10:13:01 THESE AREAS REALLY FOCUS ON HOW WE GET OUR AUDIT SERVICES,
10:13:05 DEBT ADMINISTRATION, AND FINANCIAL MODELING.

10:13:07 WE ARE GOING TO IMPLEMENT EVALUATION CRITERIA FOR EACH
10:13:10 CONSULTANT, JUST TO ENSURE THAT WE RECEIVE THE HIGHEST
10:13:13 QUALITY STANDARDS FOR OUR SERVICES.
10:13:15 SECTION 3 IS BUDGET AND LONG-RANGE PLANNING.
10:13:19 THIS REALLY IS A TEMPLATE FOR US TO USE, PUT INTO OUR BUDGET
10:13:24 DOCUMENT AND IT GOES OVER HOW WE DEVELOP OUR BUDGET, HOW WE
10:13:27 DO OUR LONG-RANGE PLANNING, HOW WE DO OUR REVENUE.
10:13:34 IT'S OUR STRATEGIC PLAN AS WELL.
10:13:36 IT IS A LONG-RANGE PLANNING PROCESS.
10:13:38 ASSESSES THE LONG-TERM FINANCIAL IMPLICATIONS AND CURRENT

10:13:41 PROPOSED OPERATING AND CAPITAL BUDGETS.
10:13:43 SECTION 4, THIS IS THE ONE I'M GOING TO GO INTO THE MOST
10:13:47 DETAIL ON RIGHT NOW IN THIS PRESENTATION.
10:13:49 IT'S OUR FUND BALANCES AND RESERVES.
10:13:52 WE WILL MAINTAIN FUND BALANCE AT THE VARIOUS OPERATING FUNDS
10:13:55 AND RELATED RESERVES AT LEVELS SUFFICIENT TO PROTECT THE
10:13:59 VILLAGE'S CREDITWORTHINESS AS WELL AS ITS FINANCIAL POSITION
10:14:03 DURING EMERGENCIES OR ECONOMIC FLUCTUATIONS.
10:14:06 WE HAVE IN HERE A POLICY, TOO, THAT A FUND BALANCE DROPS
10:14:10 BETWEEN OUR REQUIRED LEVELS, THAT WE NEED TO IDENTIFY A PLAN
10:14:15 AND COME UP WITH HOW WE'RE GOING TO GET OUR FINANCIAL LEVELS
10:14:19 BACK UP TO WHERE THEY ARE REQUIRED BY THIS POLICY.
10:14:22 SO THERE ARE FIVE CATEGORIES OF FUND BALANCE IN ALL.
10:14:26 WE DON'T HAVE ALL OF THESE RIGHT NOW, BUT THE FIVE POLICIES
10:14:33 ARE NON-SPENDABLE, RESTRICTED, COMMITTED, ASSIGNED, AND

10:14:37 UNASSIGNED.
10:14:38 SO WE'RE PROPOSING TO KEEP THE FOLLOWING RESERVE LEVELS.
10:14:43 WE WOULD LIKE TO HAVE A COMMITTED GENERAL FUND BALANCE OF AN
10:14:48 EMERGENCY RESERVE OF 50% OF GENERAL FUND BUDGETED
10:14:52 EXPENDITURES LESS TRANSFERS OUT AND ANY USES OF FUND
10:14:54 BALANCE.
10:14:55 THIS EMERGENCY RESERVE PRIMARILY WOULD BE USED FOR
10:14:59 HURRICANES.
10:15:01 HURRICANE IAN WE HAD ABOUT $7 MILLION OF EXPENDITURES
10:15:06 RELATED TO HURRICANE IAN RESPONSE.
10:15:09 OUR OPERATING BUDGET FOR FY '24 IS ABOUT ROUGHLY $10
10:15:12 MILLION.
10:15:13 THAT'S 70% OF OUR OPERATING BUDGET WE HAD TO USE JUST TO
10:15:18 RESPOND TO HURRICANE IAN.
10:15:20 I THINK HURRICANE IAN WAS A VERY HISTORICALLY POWERFUL STORM
10:15:25 AND UNIQUE IN THAT WAY, BUT WE DIDN'T -- WE LUCKED OUT IN
10:15:30 SOME WAYS IN REGARDS TO HOW MUCH DAMAGE WE HAD.
10:15:33 YOU NEED TO THINK OF YOUR RESERVE POLICY AND YOUR FUND
10:15:37 BALANCE POLICY.
10:15:38 IT'S REALLY YOUR RISK.
10:15:40 HOW MUCH RISK DO WE HAVE IN MAINTAINING OUR OPERATING BUDGET
10:15:43 AND OUR MONIES.
10:15:45 AND WE ARE VERY RISKY TO NATURAL DISASTERS.
10:15:50 THE OTHER RISK WE HAVE TOO IN A LOT OF -- AND A LOT OF
10:15:56 MUNICIPALITIES HAVE IT IS YOUR REVENUES.

10:15:57 HOW STEADY ARE YOUR REVENUES?
10:16:00 HISTORICALLY, FLORIDA SEEMED TO BE A BOOM OR BUST ECONOMY.
10:16:03 IT SEEMS TO HAVE STEADIED OUT OVER THE YEARS AND THE ECONOMY
10:16:08 IS CHANGING IN THAT REGARD, BUT WE HAVE A LOT OF SHARED
10:16:10 REVENUE THAT WE GET FROM THE STATE FOR GAS TAX, SALES TAX.
10:16:14 SO THOSE THINGS CAN FLUCTUATE BASED OFF ECONOMIC CONDITIONS.

10:16:18 THE SECOND COMMITTED FUND BALANCE WE'RE RECOMMENDING IS AN
10:16:23 OPERATING RESERVE.
10:16:24 THIS WOULD BE NOT FOR EMERGENCIES, BUT WOULD BE FOR THOSE
10:16:28 FLUCTUATIONS IN REVENUE OR EXPENSES WHERE WE NEED TO PULL
10:16:31 SOME MONEY TO CONTINUE OPERATIONS.
10:16:34 WE'RE RECOMMENDING 20% OF GENERAL FUND BUDGET EXPENDITURES
10:16:38 LESS TRANSFERS OUT AND ANY USES OF FUND BALANCE.
10:16:41 WE CURRENTLY HAVE A LITIGATION RESERVE.
10:16:45 GIVEN OUR GEOGRAPHICAL AREA, IT'S PRONE TO LEGAL CHALLENGES,
10:16:49 AND THESE FUNDS ARE TO BE USED IN THE EVENT OF LEGAL ACTION
10:16:52 IS TAKEN OR CONVERSELY IN AN INSTANT WHERE THE VILLAGE SEEKS
10:16:55 A LEGAL REMEDY TO PROTECT THE PUBLIC INTEREST.
10:16:58 WE'RE RECOMMENDING KEEPING $750,000 IN THAT RESERVE, AND
10:17:01 THAT'S CURRENTLY WHERE WE HAVE THAT RESERVE AT.
10:17:04 THE LAST ITEM OF GENERAL FUND ASSIGNED FUND BALANCE IS GOING
10:17:08 TO BE OUR MAJOR ROAD MAINTENANCE RESERVE.
10:17:12 THIS RESERVE WAS ESTABLISHED IN FISCAL YEAR 2019 THROUGH
10:17:16 2020.
10:17:17 IT HAD AN INITIAL CONTRIBUTION OF 300,000 WITH 3% ANNUAL

10:17:21 GROWTH ADJUSTMENTS.
10:17:23 AND WE HAVE BEEN FUNDING THAT EVERY YEAR, AND WE HAVE NOT
10:17:26 DRAWN DOWN FROM IT SINCE.
10:17:29 SECTION 5, CAPITAL EXPENDITURES AND IMPROVEMENTS, THIS
10:17:33 REALLY GETS INTO OUR CAPITAL PLAN.
10:17:36 WE NEED TO ADOPT A CAPITAL IMPROVEMENT PLAN EVERY YEAR, AND
10:17:41 IT JUST GOES INTO HOW WE DO THAT AND HOW WE DO EXPENDITURES
10:17:46 OF CAPITAL NATURE.
10:17:47 SECTION 6 IS JUST DEBT.
10:17:52 IT'S REALLY JUST THE GUIDELINES FOR DEBT FINANCING AND
10:17:56 MEETING OUR NEEDS FOR ANY FUTURE DEBT AND SETTING THOSE
10:18:00 PARAMETERS TO AN ALLOWABLE DEBT LIMITS.
10:18:03 SECTION 7, EXPENDITURES AND SERVICES.
10:18:06 THIS JUST SORT OF GOES INTO HOW WE ESTABLISH APPROPRIATE
10:18:12 SERVICE LEVELS AND ADMINISTER THE EXPENDITURES OF AVAILABLE
10:18:15 RESOURCES.
10:18:16 THIS SECTION DOES REFERENCE OUR PROCUREMENT POLICY WHICH IS
10:18:20 A SEPARATE ORDINANCE WHICH WILL BE INTRODUCED MOMENTARILY.
10:18:23 SECTION 8, CASH MANAGEMENT AND INVESTMENTS.
10:18:27 THIS GOES INTO OUR SAFEGUARDS OF OUR CASH, HOW WE PAY
10:18:31 CHECKS, OUR PROCEDURES FOR ALL OF THOSE THINGS AND THIS
10:18:35 PART, AGAIN, THIS REFERENCES OUR INVESTMENT POLICY, WHICH
10:18:38 WILL BE THE OTHER ORDINANCE THAT IS BEING INTRODUCED.
10:18:43 AND JUST TO TOUCH ON OUR INVESTMENT POLICY REAL QUICK, RIGHT
10:18:48 NOW, WE ARE VERY LIMITED IN WHAT WE CAN INVEST IN.

10:18:52 I DON'T KNOW IF COUNCIL RECALLS, BUT IN JUNE OF LAST YEAR,
10:18:55 WE ENGAGED FINANCIAL ADVISORS TO HELP US WITH THIS.

10:19:00 SO THEY HELPED US CRAFT THIS INVESTMENT POLICY.
10:19:03 OUR GOAL WITH THIS INVESTMENT POLICY IS TO CAPTURE THE YIELD
10:19:08 CURVE.
10:19:08 SO THE YIELD CURVE IS BASICALLY JUST THE AMOUNT OF INTEREST
10:19:13 WE CAN EARN ON OUR INVESTMENT.
10:19:15 SO A YIELD CURVE TYPICALLY GOES UP AND DOWN.
10:19:18 WE WANT TO MAINTAIN STEADY INVESTMENT REVENUE BY BEING ON
10:19:23 THE YIELD CURVE AND CAPTURING MULTIPLE PARTS OF IT.
10:19:26 SO WE TAKE A LONGER TERM APPROACH TO THESE INVESTMENTS AND
10:19:30 WE WANT TO TRY TO HAVE A STEADY RETURN RATHER THAN THESE UPS
10:19:33 AND DOWNS.
10:19:34 AND THAT I THINK WE CAN HELP US WITH PLANNING OUR FINANCES
10:19:38 AS WELL, BECAUSE IT'S HARD TO RIGHT NOW SORT OF CALCULATE
10:19:43 OUR INVESTMENT EARNINGS BECAUSE IT IS SO MARKET RELATED IN
10:19:46 THAT REGARD.
10:19:47 SECTION 9 IS GRANTS.
10:19:49 THIS IS A PRETTY SIMPLE AND SHORT ONE.
10:19:51 IT JUST GOES OVER HOW WE ACCEPT GRANTS, WHAT WE LOOK FOR,
10:19:54 HOW THEY ARE APPROVED AND ADOPTED.
10:19:56 SECTION 10, CYBERSECURITY RISK MANAGEMENT.
10:20:00 IN JANUARY, WE PASSED A CYBERSECURITY RISK MANAGEMENT
10:20:02 POLICY.
10:20:04 THIS JUST REALLY REFERENCES THAT POLICY.

10:20:06 SECTION 11 IS PERFORMANCE MANAGEMENT.
10:20:10 WE DO THIS AS PART OF THE BUDGET ANNUALLY.
10:20:12 WE CREATE A STRATEGIC PLAN THAT IDENTIFIES THE GOALS OF WHAT
10:20:17 WE WANT TO DO WITH CORRESPONDING KEY PERFORMANCE INDICATORS,
10:20:21 AND IT HELPS MONITOR AND ACHIEVE THE STRATEGIC GOALS OF THE
10:20:24 ORGANIZATION.
10:20:24 SECTION 12 IS MANAGEMENT STRUCTURE AND OPERATING STANDARDS.
10:20:28 THIS JUST GOES OVER HOW WE DEVELOP AND MAINTAIN A MANAGEMENT
10:20:32 STRUCTURE AND OPERATING STANDARDS THAT ADHERE TO THE
10:20:35 PRINCIPLES OF GOVERNMENT LIGHT WHILE PROVIDING FORWARD
10:20:38 THINKING, EFFICIENT AND TRANSPARENT MUNICIPAL OPERATIONS.
10:20:42 JUST SOME SECTIONS OF THIS, IT REALLY GETS INTO HOW WE
10:20:45 DEVELOP OUR MASTER PLANS AS GUIDING DOCUMENTS FOR THE
10:20:49 VILLAGE AND HOW THOSE INTERTWINE WITH OUR CAPITAL
10:20:53 IMPROVEMENT PLAN.
10:20:54 AND THAT IS IT.
10:20:58 IF YOU HAVE ANY QUESTIONS, I'D BE HAPPY TO ANSWER.
10:21:01 I KNOW THAT WAS A LOT TO THROW AT YOU, BUT I APPRECIATE IT.
10:21:06 >>Mayor McLain: VICE-MAYOR, YOU HAVE QUESTIONS.
10:21:10 >>Vice-Mayor Ribble: THANK YOU FOR GOING THROUGH THAT.
10:21:11 HOW MUCH OF OUR ANNUAL BUDGET DO WE CONTRIBUTE TO OUR
10:21:17 OVERALL EMERGENCY FUND?
10:21:21 >>Kevin Greenville: THERE IS NO REALLY CONTRIBUTION TO THE
10:21:25 EMERGENCY FUND.

10:21:27 IT'S MORE THAT WE MAINTAIN THAT MONEY AS ASSIGNED WITHIN OUR

10:21:32 FINANCIAL STATEMENTS AND OUR GENERAL LEDGER.
10:21:33 THAT MONEY IS RESERVED WITHIN AN EMERGENCY RESERVE.
10:21:37 >>Vice-Mayor Ribble: ARE WE FULLY RESERVED AT THAT 50% LEVEL
10:21:40 NOW?
10:21:41 >>Kevin Greenville: WE TECHNICALLY DO NOT HAVE AN EMERGENCY
10:21:44 RESERVE RIGHT NOW.
10:21:45 WE HAVE A RESERVE THAT I THINK REQUIRES US TO KEEP FOUR
10:21:49 MONTHS OF OPERATING EXPENDITURES.
10:21:52 SO THIS IS A SUBSTANTIAL STEP UP AND TO SAFEGUARD THE
10:21:58 VILLAGE.
10:22:01 >>Vice-Mayor Ribble: WE WILL HAVE TO BE PUTTING IN ANNUALLY
10:22:03 TO IT.
10:22:04 >>Kevin Greenville: YEAH, IT'S NOT REALLY ANNUAL
10:22:06 CONTRIBUTIONS.
10:22:06 IT'S MORE AT THE BEGINNING -- WHEN WE DO THE BUDGET, WE'RE
10:22:09 GOING TO DO OUR OPERATING EXPENDITURES AND MAKE SURE THAT WE
10:22:12 MAINTAIN THAT AMOUNT IN A RESERVE.
10:22:15 IT'S NOT REALLY A CONTRIBUTION.
10:22:17 IT'S MORE OF MAINTAINING THAT MONEY WITHIN THE RESERVE AND
10:22:21 MAKING SURE THAT WE DON'T DIP BELOW THAT.
10:22:23 >>Vice-Mayor Ribble: THANK YOU.
10:22:24 >>Mayor McLain: STEVE, YOU HAVE COMMENTS.
10:22:25 >>Steven Sarkozy: JUST TO EXPLAIN FURTHER, WE'VE BEEN IN A
10:22:29 SITUATION WHERE WE'VE HAD A LOT OF MONEY PUT INTO -- JUST
10:22:36 AVAILABLE BECAUSE WE HAVEN'T GOT TO THAT SPENDING TRIGGER

10:22:41 POINT, BUT WE'RE ANTICIPATING SPENDING MORE MONEY.
10:22:44 THIS ACTUALLY CREATES A FLOOR OR A LIMIT AS TO HOW MUCH YOU
10:22:52 CAN SPEND OUT OF THE AVAILABLE CASH THAT WE HAVE.
10:22:57 SO WHEN HURRICANE IAN HIT, WE HAD WELL IN EXCESS, AND STILL
10:23:01 HAVE WELL IN EXCESS OF $7 MILLION THAT IT TOOK TO RESPOND TO
10:23:05 IAN.
10:23:06 BUT THIS GOES A STEP FURTHER AND FIXES THAT AS YOU SPEND ON
10:23:14 PROJECTS NOW, THIS IS A FLOOR AND YOU WILL HAVE NO LESS THAN
10:23:19 50% PLUS THE 20% IN THE GENERAL FUND RESERVE AVAILABLE FOR
10:23:25 ANY TYPE OF EMERGENCY.
10:23:30 >>Vice-Mayor Ribble: DO WE CURRENTLY HAVE AN UNASSIGNED FUND
10:23:33 RIGHT NOW?
10:23:34 >>Kevin Greenville: UNASSIGNED FUND BALANCE?
10:23:36 YES, WE DO.
10:23:36 THAT'S REALLY PRETTY MUCH ANY MONEY THAT IS NOT ASSIGNED IS
10:23:40 IN OUR UNASSIGNED FUND BALANCE, SO, YES.
10:23:43 >>Mayor McLain: COUNCILMAN WARD.
10:23:45 >>Jim Ward: KEVIN, THANK YOU FOR THE COMPREHENSIVE OVERVIEW.
10:23:48 IT IS PRETTY IMPRESSIVE WHAT WE'RE TRYING TO ACCOMPLISH.
10:23:52 I THINK THE PRIMARY GOAL HERE IS TO BE IN A POSITION TO GET

10:23:55 A BETTER BOND RATING IN THE FUTURE.
10:23:57 I THINK SOME OF THAT WILL BE DONE WORKING WITH PRAG, WHICH
10:24:00 WE'LL HAVE A WORKSHOP LATER ON.
10:24:02 I THINK WHAT YOU'RE TRYING TO ACCOMPLISH HERE IS PRETTY MUCH
10:24:06 ALREADY MEMORIALIZED IN WHAT WE CURRENTLY DO.

10:24:10 THERE ARE SOME THINGS, AS YOU INDICATED, FOR EXAMPLE,
10:24:12 EMERGENCY FUND.
10:24:13 BUT MOST OF WHAT WE DO OR WHAT YOU HAVE OUTLINED HERE IS
10:24:17 ALREADY MEMORIALIZED, EVEN WITHIN OUR OWN OPERATING CAPITAL
10:24:21 BUDGET THAT WE PRODUCE EVERY YEAR, WHICH OUTLINES MANY OF
10:24:24 THE THINGS THAT YOU'VE COVERED HERE.
10:24:25 I THINK WHAT YOU'RE DOING IS GOING TO GO A LONG WAY TO
10:24:32 MEMORIALIZING WHAT WE CURRENTLY DO BUT ALSO PUT US IN A VERY
10:24:37 GOOD POSITION TO GET AN EXCELLENT BOND RATING IN THE FUTURE.
10:24:40 THANK YOU FOR YOUR COMMITMENT TO THIS.
10:24:42 >>Kevin Greenville: THANK YOU.
10:24:43 >>Mayor McLain: ANY OTHER QUESTIONS?
10:24:44 GEORGE.
10:24:44 >>George Zalucki: KEVIN, THANK YOU SO MUCH FOR THIS.
10:24:47 AS JIM MENTIONED, VERY COMPREHENSIVE.
10:24:49 GREAT INSIGHT.
10:24:50 JUST ONE QUICK QUESTION AND FOLLOW-UP ON THE VICE-MAYOR'S
10:24:53 COMMENTS, THE EMERGENCY RESERVE FUND, YOU'RE PROPOSING 50%.
10:24:56 MAKES REAL GOOD SENSE TO ME.
10:24:58 OPERATING RESERVE, 20%, AND THEN THE LITIGATION RESERVE IS
10:25:01 750,000.
10:25:02 IT SOUNDS LIKE WE'RE NOT QUITE THERE YET.
10:25:06 WHEN WE DO FUND THIS, WHEN IT GOES INTO EFFECT, WHERE IS THE
10:25:09 MONEY GOING TO COME FROM?
10:25:10 ARE WE GOOD IN THAT REGARD?

10:25:12 >>Kevin Greenville: YES.
10:25:14 COUNCILMAN ZALUCKI, WE'RE GOOD.
10:25:15 THAT IS GOING TO COME FROM THE UNASSIGNED FUND BALANCE IS
10:25:18 WHERE WE WILL PULL THAT MONEY FROM.
10:25:20 WE'RE NOT GOING TO TOUCH ANY -- IT'S MAINLY A LITTLE BIT OF
10:25:22 A SHIFTING OF MONIES WE ALREADY HAVE.
10:25:31 >>Rafael Lopez: THANK YOU FOR GIVING ME A SLEEPING PILL TO
10:25:33 HELP ME SLEEP.
10:25:34 I'LL BE READING ALL THAT LATER.
10:25:35 THANK YOU ANYWAY.
10:25:36 I APPRECIATE ALL YOUR HARD WORK.
10:25:38 >>Mayor McLain: COUNCILMEMBER FAYHEE.
10:25:42 >>Lori Fayhee: THANK YOU, KEVIN.
10:25:45 I KNOW THIS WAS A LOT OF WORK FOR YOU.
10:25:47 I JUST HAVE ONE PERSON THAT I BELIEVE WITH OUR POLICY THAT
10:25:52 IT'S THE PUBLIC AND THE COUNCIL ARE SUPPOSED TO HAVE TIME TO

10:25:56 READ THIS INFORMATION BEFORE A VOTE, AND I DON'T -- IS IT
10:26:03 DIFFERENT BECAUSE IT'S AN ORDINANCE?
10:26:09 >>Mayor McLain: WE'RE NOT GOING TO VOTE ON IT TODAY.
10:26:11 THIS IS THE FIRST READING.
10:26:14 >>Robert Eschenfelder: YEAH, THIS IS THE FIRST READING OF
10:26:15 THE ORDINANCE.
10:26:16 SECTION 6 OF YOUR COUNCIL RULES OF PROCEDURE INDICATE THAT
10:26:21 THE VILLAGE MANAGER IS RESPONSIBLE FOR PREPARATION OF THE
10:26:24 AGENDA.

10:26:26 AND THAT ITEMS ON THE AGENDA WILL BE ACCOMPANIED BY RELEVANT
10:26:29 DOCUMENTATION AND THAT THE AGENDA MEMORANDUM AND SUPPORTING
10:26:32 INFORMATION WILL WHENEVER REASONABLY POSSIBLE BE PROVIDED TO
10:26:37 COUNCIL BY NOON ON THE WEDNESDAY PRECEDING A REGULAR COUNCIL
10:26:41 MEETING.
10:26:41 AT LEAST TWO DAYS IN ADVANCE OF ANY SPECIAL-CALLED MEETING
10:26:45 OR WORKSHOP.
10:26:46 REVISED AND/OR ADDITIONAL INFORMATION MAY BE DISTRIBUTED VIA
10:26:51 AN AGENDA SUPPLEMENT AT LEAST 24 HOURS IN ADVANCE OF A
10:26:54 MEETING WHENEVER REASONABLY POSSIBLE.
10:26:57 SO COUNCIL SORT OF CONTEMPLATED BY TWICE USING THE WORDS
10:27:03 WHENEVER REASONABLY POSSIBLE THAT THERE ARE GOING TO BE
10:27:06 INSTANCES WHERE THINGS AREN'T DONE AND PREPARED IN TIME.
10:27:08 AND YOU ARE GOING TO RECEIVE STAFF PRESENTATIONS ON ALL
10:27:13 THREE OF THESE PARTICULAR FIRST READINGS, ORDINANCES TODAY.
10:27:18 IT'S REALLY UP TO YOU IF YOU WANT TO PROCEED WITH FIRST
10:27:21 READING.
10:27:21 I THINK THE DESIRE IS TO KEEP THESE MOVING ALONG.
10:27:25 AS THE MAYOR INDICATES, VOTING ON FIRST READING DOESN'T MEAN
10:27:32 IT IS ADOPTED.
10:27:33 YOU GO TO THE SECOND READING AND PUBLIC HEARING IN TWO
10:27:35 WEEKS.
10:27:35 BUT JUST TO ANSWER COUNCILWOMAN FAYHEE'S QUESTION, CERTAINLY
10:27:40 THE INTENT OF THE RULE IS WE WANT AS EARLY AS POSSIBLE SO
10:27:43 EVERYONE CAN READ AND DIGEST, NOT JUST COUNCIL MEMBERS, BUT

10:27:45 THE PUBLIC, BUT THAT IS NOT A -- THERE IS NO HARD AND FAST
10:27:50 RULE THAT SAYS IF SOMETHING ISN'T DONE BY A PARTICULAR DATE
10:27:54 YOU CAN'T ACT ON IT.
10:27:55 >>Lori Fayhee: THANK YOU.
10:27:56 I APPRECIATE THAT.
10:27:58 IS THERE AN URGENCY TO APPROVE THE FIRST READING TODAY OR --
10:28:04 >>Kevin Greenville: YES.
10:28:05 MICKEY JOHNSTON IS HERE FROM PRAG.
10:28:12 HE'S GOING TO GIVE A PRESENTATION TODAY ABOUT OUR FINANCING
10:28:15 PLAN, POTENTIAL DEBT ISSUANCE, POTENTIAL BOND RATING.
10:28:18 HE WILL HAVE A TIMELINE, AND WE WOULD PREFER TO GET THIS
10:28:22 ADOPTED THIS MONTH, IF ACCEPTABLE TO COUNCIL.

10:28:26 >>Lori Fayhee: OKAY.
10:28:27 THANK YOU.
10:28:27 I APPRECIATE IT.
10:28:29 >>Mayor McLain: THANK YOU, KEVIN.
10:28:30 I JUST GOT A QUESTION.
10:28:33 IT'S GOOD TO HAVE OUR GOALS LAID OUT IN THIS FASHION.
10:28:37 WHEN YOU LOOK AT US -- WE'RE LOOKING AT A BOND RATING, SO
10:28:41 THESE STANDARDS THAT YOU'VE TALKED TO US ABOUT TODAY I WOULD
10:28:45 THINK ARE ON THE HIGHER LEVEL OF WHAT OTHER VILLAGES AND
10:28:50 CITIES MAY HAVE, ESPECIALLY IN THIS AREA.
10:28:52 I DON'T KNOW WHAT NAPLES IS LIKE, BUT THESE ARE ITEMS THAT
10:28:58 YOU AND STEVE HAVE SAID -- IN ORDER FOR US TO GET THE
10:29:02 APPROPRIATE BOND RATING THAT WE'RE TRYING TO GET, THESE ARE

10:29:05 THE STANDARDS THAT WE NEED TO HAVE IN PLACE VIA POLICY IN
10:29:10 ORDER TO GET THAT KIND OF RATING.
10:29:11 SO THAT'S I THINK ONE OF THE URGENCIES IS TO GET THIS THING
10:29:17 MOVING FORWARD.
10:29:18 I THINK IN THE INTERIM, IF FIRST READING TODAY, IF WE GET A
10:29:21 NOMINATION TO MOVE THAT FORWARD, QUESTIONS COME UP, GO TO
10:29:27 KEVIN AND WE DON'T HAVE TO DO THE SECOND READING TOMORROW OR
10:29:33 THE NEXT MEETING.
10:29:34 WE CAN ADJUST BASED ON QUESTIONS OR ISSUES THAT MAY COME UP
10:29:38 ON THIS THING.
10:29:39 I THINK WE WOULD BE FLEXIBLE THAT WAY.
10:29:42 I DON'T HAVE OPPOSITION TO GET A NOMINATION TO MOVE THIS
10:29:49 THING FORWARD.
10:29:49 ANY OTHER QUESTIONS FROM COUNCIL?
10:29:51 IF NOT, KEVIN, THANK YOU SO MUCH.
10:29:57 I THINK LIKE COUNCILMAN LOPEZ SAYS, THIS WILL BE INTERESTING
10:30:00 READING.
10:30:01 DO WE HAVE ANY PUBLIC COMMENTS ON THIS?
10:30:05 >>Carol Sacco: MAYOR, WE HAVE NO PUBLIC COMMENT AND NO
10:30:07 E-COMMENTS.
10:30:09 >>Mayor McLain: I'M LOOKING FOR A MOTION TO PASS THE FIRST
10:30:12 READING.
10:30:15 COUNCILMAN LOPEZ MADE THE MOTION.
10:30:17 I'M LOOKING FOR A SECOND BY OUR VICE-MAYOR.
10:30:20 MADAM CLERK, WOULD YOU PLEASE CALL THE ROLL?

10:30:25 >>Larry Fiesel: AYE.
10:30:26 >>Lori Fayhee: AYE.
10:30:26 >>Rafael Lopez: AYE.
10:30:28 >>Jim Ward: AYE.
10:30:30 >>George Zalucki: AYE.
10:30:31 >>Vice-Mayor Ribble: AYE.
10:30:33 >>Mayor McLain: AYE.
10:30:33 THE NEXT ITEM ON THE AGENDA IS ITEM 8B, FIRST READING

10:30:38 ORDINANCE NUMBER 2024-02 REGARDING PROCUREMENT.
10:30:42 MADAM CLERK, WOULD YOU PLEASE READ THE TITLE OF THIS
10:30:45 ORDINANCE?
10:30:46 >>Carol Sacco: ORDINANCE 2024-02, AN ORDINANCE OF THE
10:30:49 VILLAGE COUNCIL OF THE VILLAGE OF ESTERO, FLORIDA, AMENDING
10:30:52 DIVISION 3 OF ARTICLE IV OF CHAPTER 2 OF THE VILLAGE CODE
10:30:55 REGARDING VILLAGE PROCUREMENT METHODS AND PROCEDURES; MAKING
10:30:59 RELATED FINDINGS; AND PROVIDING FOR SEVERABILITY,
10:31:01 CODIFICATION AND AN EFFECTIVE DATE.
10:31:04 >>Mayor McLain: THANK YOU.
10:31:05 STEVE, WOULD YOU LIKE TO INTRODUCE THIS ITEM?
10:31:09 >>Steven Sarkozy: WELL, KEVIN COVERED THIS GENERALLY.
10:31:11 IT IS THE FIRST READING AND THE INTENT IS TO BRING THIS
10:31:17 FORWARD AND CONTINUE TO HAVE DISCUSSIONS OVER THE NEXT FEW
10:31:20 WEEKS AND WHEN YOU'RE READY, GO TO THE SECOND READING.
10:31:25 >>Mayor McLain: DOES COUNCIL HAVE ANY ISSUES OR QUESTIONS?
10:31:28 >>Robert Eschenfelder: I CAN TICK THROUGH SOME OF THE

10:31:30 PROCEEDINGS BECAUSE THIS WAS LARGELY DRIVEN BY MY DRAFTING,
10:31:34 IF YOU PREFER.
10:31:35 COUNCIL ASKED ME SORT OF SEPARATELY TO TAKE A LOOK AT THE
10:31:40 DIFFERENT CODE SECTIONS.
10:31:42 ONE OF THE ONES I LOOKED AT IS THE PROCUREMENT CODE.
10:31:45 CURRENTLY IT IS A FAIRLY SHORT CODE THAT YOU HAVE.
10:31:48 IN YOUR AGENDA MEMO THERE, I COVERED SOME OF THE
10:31:51 DEFICIENCIES THAT I SAW.
10:31:55 FIRST OF ALL, IT REQUIRES COMPETITIVE BIDDING, QUOTE,
10:31:58 UNQUOTE, FOR ISSUES THAT ARE IN EXCESS OF $10,000.
10:32:01 BUT THAT'S REALLY SIMPLISTIC LANGUAGE BECAUSE THERE IS A LOT
10:32:06 WE DO IN TERMS OF PROCUREMENT THAT DON'T REQUIRE BIDDING,
10:32:09 WHICH SEEKS THE LOWEST BIDDER KIND OF THING.
10:32:12 INSTEAD, REQUEST FOR PROPOSALS OR INVITATIONS TO NEGOTIATE.
10:32:15 SO THAT LANGUAGE WOULD NEED TO CHANGE.
10:32:18 AND THERE'S -- CURRENTLY, THE DELEGATED PROCUREMENT
10:32:21 AUTHORITY TO THE MANAGER IS UP TO $50,000.
10:32:26 AT LEAST IN MY EXPERIENCE, THAT IS UNREALISTICALLY LOW.
10:32:32 I KNOW WAY BACK WHEN I WAS THE CHIEF ASSISTANT AT MANATEE
10:32:35 COUNTY, THE COUNTY ADMINISTRATOR HAD A $1 MILLION
10:32:39 DELEGATION.
10:32:40 I'M NOT SUGGESTING THAT HERE.
10:32:42 BUT I DO IN MY DRAFT RECOMMEND INCREASING THAT TO $75,000.
10:32:47 I THINK WE BUY A LOT OF THINGS THAT ARE VERY ROUTINE ITEMS
10:32:51 THAT WE DON'T NEED TO -- AND THE ISSUE A LOT OF TIMES IS

10:32:55 THAT YOU HAVE TO WAIT FOR THE NEXT COUNCIL MEETING TO GET
10:32:58 SOMETHING APPROVED WHEN IT COULD JUST BE ACQUIRED BY THE
10:33:01 MANAGER'S AUTHORITY TO SPEND UP TO 75.
10:33:04 THAT IS A CHANGE THERE IN TERMS OF THE DELEGATED AUTHORITY.

10:33:08 THE CURRENT CODE REQUIRES PUBLIC BID OPENING FOR ALL BIDS.
10:33:12 I THINK, AGAIN, THAT'S SORT OF ERRONEOUS LANGUAGE THAT WE
10:33:15 GOT FROM SOMEWHERE.
10:33:18 UNDER FLORIDA LAW, WE ONLY HAVE TO DO PUBLIC BID OPENINGS IF
10:33:21 IT IS A CONSTRUCTION CONTRACT, BUT THERE ARE A LOT OF OTHER
10:33:24 THINGS THAT WE DO SEEK BIDS FOR THAT DON'T REQUIRE THAT.
10:33:27 GETTING RID OF THAT REQUIREMENT WILL INCREASE EFFICIENCY
10:33:30 BECAUSE WE DON'T HAVE TO ACTUALLY POST A PUBLIC NOTICE AND
10:33:34 HAVE STAFF MEMBERS HERE TO READ EVERYTHING.
10:33:38 IT'S A CUMBERSOME PROCESS THAT ISN'T REQUIRED.
10:33:41 WHY WOULD WE HAVE IT?
10:33:43 MOST MODERN PROCUREMENT CODES PROVIDE A LIST OF COMMODITIES
10:33:47 OR SERVICES WHICH ARE NOT SUBJECT TO COMPETITIVE BIDDING.
10:33:50 THERE ARE A VARIETY OF THINGS, IF YOU THINK ABOUT IT, THAT
10:33:53 WE BUY THAT SIMPLY DON'T LEND THEMSELVES TO COMPETITION.
10:33:57 SO YOU'LL SEE IN THE DRAFT THAT I PUT TOGETHER THAT I'VE GOT
10:34:01 ABOUT 20 SOME DIFFERENT CATEGORIES OF THINGS THAT WE ACQUIRE
10:34:05 THAT WE WOULD NOT HAVE TO COMPETITIVELY SOLICIT FOR.
10:34:10 AND SO THOSE ARE SORT OF THE DEFICIENCIES THAT WERE IN THE
10:34:15 CODE.
10:34:17 WHAT THE ORDINANCE SAYS BEFORE YOU, IT PROVIDES A NEW

10:34:21 SECTION THAT SETS FORTH DEFINITIONS.
10:34:23 IT DETAILS A LIST OF COMMODITIES AND SERVICES WHICH ARE
10:34:27 EXEMPT FROM THE SOLICITATION PROCESS.
10:34:30 IT CREATES THREE CATEGORIES OF PROCUREMENT THAT ARE
10:34:34 ESTABLISHED, WHICH REQUIRE PROGRESSIVELY MORE DETAILED OR
10:34:38 FORMAL PROCUREMENT PROCEDURES WITH COUNCIL APPROVING ALL
10:34:43 ACQUISITIONS WHICH ARE AT OR EXCEED 75,000.
10:34:47 FORMAL RULES WILL BE PROVIDED -- OR ARE PROVIDED THAT THE
10:34:52 MANAGER'S AUTHORITY TO MAKE EMERGENCY PURCHASES.
10:34:55 THE VILLAGE'S RIGHT TO TERMINATE ALL SOLICITATIONS IS
10:35:00 FORMALLY SET FORTH.
10:35:01 AS SOMEONE WHO HAS LITIGATED THESE CASES BEFORE, IT'S
10:35:04 HELPFUL TO HAVE THAT PROVISION BECAUSE SOMETIMES A VENDOR
10:35:07 WILL COMPLAIN THAT THEY PUT A LOT OF MONEY INTO RESPONDING
10:35:10 AND PUTTING A PROPOSAL TOGETHER, SO WHY DID YOU CANCEL.
10:35:13 THIS IS JUST ADDING A LAYER TO SAY, LOOK, IT IS A MATTER OF
10:35:17 OUR POLICY THAT WE CAN CANCEL AT ANY TIME FOR ANY OR NO
10:35:20 REASON.
10:35:20 YOU BEAR YOUR OWN RISK AS A VENDOR IF YOU'RE GOING TO PUT
10:35:23 FORTH RESOURCES TO RESPOND.
10:35:25 THE PROCESS OF WAIVER OF COMPETITION IS FORMALIZED, SO THERE
10:35:31 ARE SOME SENTENCES THAT I'VE ADDED THERE THAT TALK ABOUT
10:35:34 WHEN THE VILLAGE DOES WAIVE COMPETITION, HOW IS THAT GOING
10:35:39 TO TAKE PLACE?
10:35:41 THE UNIQUE RULES APPLICABLE TO CONSTRUCTION AND ENGINEERING

10:35:44 SERVICES WHICH ARE SET FORTH IN FLORIDA LAW ARE RECOUNTED IN
10:35:47 THE CODE TO MAKE SURE THAT CURRENT AND FUTURE STAFF
10:35:51 UNDERSTANDS THAT THERE ARE DIFFERENT RULES THAT APPLY IF THE
10:35:55 LEGISLATURE PUTS THOSE ON US.
10:35:57 RULES OF PROCEDURE RELATED TO USING SOLE-SOURCE PROVIDERS
10:36:01 ARE CLARIFIED.
10:36:02 RIGHT NOW, OUR CODE REALLY DOESN'T ADDRESS SOLE-SOURCE
10:36:06 PROVIDERS.
10:36:07 A NEW PROVISION REQUIRING VENDORS TO COMPLY WITH APPLICABLE
10:36:11 PUBLIC RECORDS LAWS IS PROVIDED.
10:36:13 SOME YEARS AGO, THE LEGISLATURE PUT IN A REQUIREMENT FOR
10:36:16 VENDORS TO HAVE TO COMPLY WITH CERTAIN LAWS, BUT STILL TO
10:36:19 THIS DAY, WE GET PUSH-BACK FROM VENDORS WHO SAY I'M THE
10:36:23 PRIVATE SECTOR.
10:36:24 WHY DO I HAVE TO DO THIS OR THAT?
10:36:26 BUT THEY DO.
10:36:27 PUTTING IT IN OUR CODE IS, AGAIN, YET ANOTHER THING OUR
10:36:30 PROCUREMENT STAFF CAN POINT TO WHEN TRYING TO WORK WITH
10:36:33 VENDORS TO SAY YOU HAVE TO DO THIS.
10:36:36 NOT ONLY IS IT FLORIDA LAW BUT HERE IT IS IN OUR CODE AS
10:36:38 WELL.
10:36:39 A NEW PROVISION HAS BEEN ADDED TO CLEARLY PLACE THE BURDEN
10:36:42 ON VENDORS TO ENSURE THEY DON'T SUBMIT TRADE SECRET
10:36:45 DOCUMENTS OR THAT IF THEY DO, THAT THEY INFORM US IN ADVANCE
10:36:48 AND CLEARLY MARK THOSE AS TRADE SECRETS.

10:36:50 WHY I INCLUDE THIS ONE FOR MY CLIENTS IS BECAUSE THERE HAS
10:36:56 BEEN LITIGATION -- IT'S ACTUALLY A CRIME IN FLORIDA FOR A
10:37:01 LOCAL GOVERNMENT AGENT TO RELEASE A PUBLIC RECORD THAT IS A
10:37:06 TRADE SECRET.
10:37:07 THAT'S PRETTY HIGH.
10:37:08 NORMALLY IT'S JUST THAT IT IS A VIOLATION OF THE PUBLIC
10:37:10 RECORDS LAW, IT'S A CIVIL MATTER.
10:37:12 BUT IN THE TRADE SECRET WORLD, THE PROSECUTOR CAN ACTUALLY
10:37:16 CHARGE YOU IF YOU RELEASE SOMETHING THAT IS A TRADE SECRET.
10:37:20 THE CASE LAW SAYS THERE IS AN ONUS ON THE VENDOR TO LET US
10:37:24 KNOW WHAT IS A TRADE SECRET.
10:37:26 AND IF YOU DON'T LET US KNOW THAT IN ADVANCE, THEN WE'VE GOT
10:37:30 A BETTER DEFENSE IF SOMETHING DOES GET RELEASED.
10:37:33 SO BY PUTTING THIS INTO OUR CODE, AGAIN, IT'S TELLING THE
10:37:37 VENDING COMMUNITY RIGHT UP FRONT, HERE'S YOUR OBLIGATION.
10:37:40 IF YOU SUBMIT BID OR IF YOU SUBMIT A PROPOSAL WITH
10:37:44 CONFIDENTIAL TRADE SECRETS AND YOU DON'T CLEARLY MARK THAT
10:37:47 SO WE CAN SEE THAT, DON'T EXPECT US TO NOT RELEASE IT.
10:37:51 A NEW PROVISION ON ETHICAL CONDUCT IN THE PROCUREMENT
10:37:56 FUNCTION WITH RESPECT TO OUR EMPLOYEES IS INSERTED TO ENSURE
10:38:00 THAT EMPLOYEES TAKE GREATER CARE TO PERFORM THE PROCUREMENT
10:38:04 FUNCTION.

10:38:05 A NEW PROVISION ON VENDOR CONFLICTS OF INTEREST HAS BEEN
10:38:09 INSERTED, WHICH WILL MAKE IT EASIER FOR THE VILLAGE TO
10:38:11 SUSPEND OR DEBAR VENDORS FOUND TO HAVE ENGAGED IN CONFLICTS

10:38:16 OF INTEREST WHEN DEALING WITH THE VILLAGE.
10:38:18 IT ADDS A FORMAL ANTI-LOBBYING PROVISION TO ENSURE THAT
10:38:23 VENDORS DO NOT ATTEMPT TO CIRCUMVENT THE COMPETITIVE PROCESS
10:38:27 BY APPROACHING VILLAGE COUNCIL MEMBERS OR OTHER FOLKS WHO
10:38:30 AREN'T INVOLVED IN THE VILLAGE.
10:38:31 WHEN WE PUT A SOLICITATION ON THE STREET, WE SAY HERE IS
10:38:34 YOUR DESIGNATED PERSON POINT OF CONTACT.
10:38:36 USUALLY OUR PROCUREMENT MANAGER OR THE MANAGER.
10:38:40 SO WE WANT THE VENDORS JUST TO DEAL WITH THAT PARTICULAR
10:38:43 OFFICIAL BECAUSE WE DON'T WANT THEM TO COME TO YOU ALL AND
10:38:46 SAY, HEY, MAN, I WOULD REALLY LIKE TO GET THIS CONTRACT.
10:38:51 CAN YOU TALK TO THE MANAGER?
10:38:52 THAT IS NOT CONDUCIVE TO A FAIR, NEUTRAL EVALUATION PROCESS
10:38:55 WHERE THE BEST VENDOR WITH THE BEST PRICE WINS.
10:38:58 BY PUTTING AN ANTI-LOBBYING PROVISION IN THERE, WE RESERVE
10:39:01 THE RIGHT TO SAY, YOU KNOW WHAT, IF YOU DO THAT, IF YOU GO
10:39:04 TO A COUNCILMEMBER, APPROACH SOMEBODY YOU'RE NOT SUPPOSED TO
10:39:08 DO APPROACH, YOU WILL BE DISQUALIFIED FROM THIS
10:39:11 SOLICITATION.
10:39:11 IT'S A HAMMER OVER THE VENDORS.
10:39:14 WHEN THEY KNOW IT'S THERE, THEY WILL TEND MORE TO FOLLOW THE
10:39:19 RULE AND MAKE SURE THEY DEAL ONLY WITH THE DESIGNATED STAFF.
10:39:22 FORMAL RULES REGARDING HOW A VENDOR MAY PROTEST A
10:39:25 PROCUREMENT DECISION ARE PROVIDED.
10:39:27 RIGHT NOW OUR CODE DOESN'T HAVE A PROTEST PROVISION.

10:39:29 SO QUICKLY I WILL TELL YOU THERE, I DO RECOMMEND HAVING A
10:39:33 PROTEST PROVISION BECAUSE IF YOU DON'T, WHAT HAPPENS IS, IF
10:39:37 A VENDOR IS DISSATISFIED AND DISPLEASED ABOUT OUR DECISION,
10:39:41 IF THERE IS ENOUGH MONEY THAT'S AT ISSUE, THAT VENDOR WILL
10:39:44 GO GET AN ATTORNEY AND WILL GO FILE A LEGAL ACTION.
10:39:47 I'VE BEEN THROUGH THIS.
10:39:50 AND THE VERY FIRST THING THAT WILL HAPPEN IS THAT THE VENDOR
10:39:53 WILL ASK FOR A TEMPORARY INJUNCTION STOPPING THE VILLAGE
10:39:56 FROM PROCEEDING WITH THE PROCUREMENT UNTIL THE UNDERLYING
10:40:00 ISSUES ARE RESOLVED.
10:40:01 BECAUSE THE COURT IS SO SLOW, AS YOU ALL ARE PAINFULLY AWARE
10:40:06 IN SOME OF THE CASES WE HAVE, IT COULD BE SIX MONTHS, NINE
10:40:09 MONTHS DOWN THE ROAD BEFORE WE GET THAT CIRCUIT COURT JUDGE
10:40:13 TO FIGURE OUT HOW TO RESOLVE THE ISSUE.
10:40:16 IN THE MEANTIME, WE'VE HAD THIS INJUNCTION SITTING ON US
10:40:19 WHICH MEANS WE CAN'T MOVE FORWARD WITH THE BUSINESS OF THE
10:40:22 VILLAGE.
10:40:22 BY HAVING A PROTEST PROCEDURE, WHEN YOU READ IT, YOU'LL SEE

10:40:27 THERE IS A VERY SHORT TIMELINE.
10:40:29 ONLY A FEW NUMBER OF DAYS THAT AFTER YOU LEARN OF OUR
10:40:33 DECISION, YOU'VE GOT TO FILE A PROTEST.
10:40:35 IN THAT PROTEST, YOU'VE GOT TO CLEARLY SET FORTH THE
10:40:38 SPECIFIC THINGS YOU SAY WE DID WRONG AND THEN WE WILL REVIEW
10:40:42 IT AND THEN MAKE A DECISION.
10:40:43 IF YOU FAIL TO FOLLOW THAT PROTEST PROCEDURE, YOU'RE DEEMED

10:40:47 TO HAVE WAIVED THAT COMPLAINT.
10:40:49 THE CASE LAW THAT'S ON THE BOOKS IN FLORIDA SAYS THAT IF WE
10:40:52 HAVE ONE OF THESE AND YOU DON'T FOLLOW IT, YOU CAN'T GO TO
10:40:56 COURT THEREAFTER.
10:40:57 SO IT'S A REALLY GOOD THING FOR US TO HAVE.
10:40:59 I KNOW IT SEEMS LIKE IT'S MORE WORDS OR WHATEVER IN OUR
10:41:01 CODE, BUT IT'S THERE FOR THAT REASON BECAUSE ULTIMATELY IT
10:41:05 LETS US MOVE FORWARD AND WE DON'T WANT VENDORS TO CATCH US
10:41:09 IF WE ARE MAKING A MISTAKE.
10:41:10 HOLD ON A SECOND, I DON'T THINK YOU DID THAT RIGHT, SO WE
10:41:12 CAN MAKE IT RIGHT IF WE DID IT WRONG.
10:41:15 WHAT WE DON'T WANT IS IT TO BE DRAWN OUT AND DRAWN OUT JUST
10:41:18 BECAUSE THE VENDOR IS MAD AT THE OUTCOME EVEN IF WE DID
10:41:21 EVERYTHING CORRECTLY.
10:41:22 FINALLY, FORMAL RULES WITH RESPECT TO HOW THE VILLAGE CAN
10:41:27 SUSPEND OR DEBAR A VENDOR.
10:41:29 THESE ARE RARE CIRCUMSTANCES, BUT THERE ARE SITUATIONS.
10:41:34 HAD A FEW IN MY CAREER WHERE A VENDOR HAS BEEN FOUND TO HAVE
10:41:38 BEEN ENGAGING IN UNETHICAL CONDUCT OR UNBALANCED BIDDING OR
10:41:43 DISHONESTY OR FORGERY OR THEY HAVE BEEN A VERY BAD VENDOR
10:41:49 AND THEY HAVE REPEATEDLY BREACHED CONTRACTS WITH US AND
10:41:52 CAUSED US A LOT OF DAMAGE.
10:41:54 SO FOR THOSE WE WOULD LIKE THE POWER TO SUSPEND THOSE
10:41:58 VENDORS OR TO DEBAR THOSE VENDORS FROM DOING BUSINESS WITH
10:42:01 US.

10:42:01 THE CASE LAW ON DUE PROCESS SAYS THAT UNLESS WE HAVE CODE
10:42:05 THAT TALKS ABOUT HOW THAT'S DONE AND SETS FORTH A PROCESS
10:42:08 FOR IT TO BE DONE, WE CAN'T REALLY DO IT.
10:42:10 AGAIN, I'M RECOMMENDING THAT THAT BE INCLUDED IN OUR CODE.
10:42:13 WE WON'T BE INVOKING IT, HOPEFULLY EVER, BUT IF WE EVER DO
10:42:17 HAVE TO INVOKE IT, IT WILL BE THERE FOR US TO DO THE RIGHT
10:42:19 WAY.
10:42:20 THAT IS THE OVERVIEW OF THE MAIN POINTS THAT ARE HAPPENING
10:42:23 IN THIS ORDINANCE.
10:42:23 THANK YOU.
10:42:27 >>Mayor McLain: COUNCIL, QUESTIONS.
10:42:28 >>Vice-Mayor Ribble: NO QUESTIONS, BUT THANK YOU FOR
10:42:30 PROTECTING US.
10:42:32 APPRECIATE THE WORK THAT WENT INTO THAT.

10:42:34 >>Mayor McLain: I'VE GOT A QUESTION ABOUT THE PROCUREMENT
10:42:39 DIVISION 3.
10:42:40 IT'S ALL RED LINED.
10:42:42 DOES THAT MEAN IT'S ALL NEW TERMINOLOGY?
10:42:44 >>Robert Eschenfelder: CORRECT.
10:42:45 THE WAY CODIFICATION WORKS IS YOU HAVE TO SHOW NEW STUFF AS
10:42:50 UNDERLINED.
10:42:50 OLD STUFF THAT YOU ARE TAKING OUT AS STRUCK THROUGH AND OLD
10:42:53 STUFF THAT YOU'RE KEEPING --
10:42:54 >>Mayor McLain: THE OLD STUFF WE HAD IN THERE IS STRUCK
10:42:57 THROUGH IN THIS DOCUMENT I'VE GOT?

10:43:03 >>Robert Eschenfelder: IF YOU GO TO THE END -- BEGINS ON
10:43:13 PAGE 22 OF THE ORDINANCE.
10:43:18 >>Mayor McLain: I DON'T HAVE PAGE 22 -- IT LOOKS LIKE A
10:43:25 SIGNIFICANT AMOUNT OF CHANGES FROM THE OLD, ALL UPGRADED.
10:43:31 >>Robert Eschenfelder: THERE IS A LOT OF NEW, YES.
10:43:32 SOME OF THE STUFF WE CAN SAY WE'VE BEEN DOING ANYWAY, WHICH
10:43:35 WE HAVE.
10:43:36 BUT IT'S -- IT JUST MAKES IT SO MUCH BETTER IF WE ARE IN
10:43:40 COURT OR DEALING WITH VENDORS TO HAVE IT IN OUR CODE SPELLED
10:43:43 OUT IN BLACK AND WHITE.
10:43:47 >>Lori Fayhee: I ONLY GO UP TO PAGE 20.
10:43:49 >>Mayor McLain: YEAH, I ONLY GO UP TO PAGE 20.
10:43:51 MAYBE I DON'T HAVE A FULL DECK, WHICH I'VE BEEN ACCUSED OF A
10:43:54 LOT.
10:43:54 [LAUGHTER]
10:43:55 WE'LL CHECK IT OUT.
10:44:03 THIS IS FIRST READING.
10:44:05 IF WE HAVE QUESTIONS, WE'LL KNOCK ON YOUR DOOR.
10:44:08 ANY OTHER QUESTIONS FROM COUNCIL?
10:44:10 IT'S A LOT TO DIGEST, I THINK.
10:44:16 >>Vice-Mayor Ribble: ARE YOU LOOKING AT THE RIGHT ORDINANCE?
10:44:18 I HAVE ALL 25 PAGES.
10:44:28 >>Mayor McLain: IT DOESN'T LOOK LIKE WE HAVE ANY MORE
10:44:31 QUESTIONS.
10:44:32 DO WE HAVE ANY QUESTIONS OR ANYBODY SIGNED UP TO SPEAK?

10:44:34 >>Carol Sacco: WE HAVE NO PUBLIC COMMENT AND NO E-COMMENTS.
10:44:45 >>Mayor McLain: THANK YOU.
10:44:45 DO WE HAVE A MOTION TO PASS THIS ON THE FIRST READING?
10:44:52 >>Vice-Mayor Ribble: SO MOVED.
10:44:52 >>Mayor McLain: VICE-MAYOR RIBBLE HAS MADE THE MOTION TO
10:44:55 MOVE THIS ON TO THE SECOND READING.
10:44:58 SECONDED BY COUNCILMAN FIESEL.
10:45:00 MADAM CLERK, WOULD YOU PLEASE CALL THE ROLL.
10:45:04 >>George Zalucki: AYE.
10:45:04 >>Jim Ward: AYE.

10:45:06 >>Rafael Lopez: AYE.
10:45:08 >>Lori Fayhee: AYE.
10:45:09 >>Larry Fiesel: AYE.
10:45:11 >>Vice-Mayor Ribble: AYE.
10:45:11 >>Mayor McLain: AYE.
10:45:13 NEXT ON THE AGENDA IS ITEM 8C, FIRST READING OF ORDINANCE
10:45:17 NUMBER 2024-04, INVESTMENT.
10:45:20 MADAM CLERK, WOULD YOU PLEASE READ THE TITLE OF THE
10:45:24 ORDINANCE?
10:45:25 >>Carol Sacco: ORDINANCE 2024-04, AN ORDINANCE OF THE
10:45:28 VILLAGE COUNCIL OF THE VILLAGE OF ESTERO, FLORIDA, CREATING
10:45:30 DIVISION 4 (INVESTMENT POLICIES) OF ARTICLE IV (FINANCE) OF
10:45:35 CHAPTER 2 OF THE VILLAGE OF ESTERO CODE TO CREATE DETAILED
10:45:39 POLICIES RELATED TO INVESTMENT OF VILLAGE FUNDS; MAKING
10:45:42 RELATED FINDINGS; AND PROVIDING FOR SEVERABILITY,

10:45:45 CODIFICATION, AND AN EFFECTIVE DATE.
10:45:48 >>Mayor McLain: THANK YOU.
10:45:49 STEVE, WOULD YOU LIKE TO INTRODUCE THIS ORDINANCE?
10:45:53 >>Steven Sarkozy: I THINK I'LL TURN IT OVER TO OUR VILLAGE
10:45:56 ATTORNEY, ROB ESCHENFELDER, WHO DRAFTED THE ORDINANCE AND
10:46:00 PROVIDED THE STAFF REPORT.
10:46:01 ROB?
10:46:03 >>Robert Eschenfelder: THIS IS THE INVESTMENT?
10:46:06 >> YES.
10:46:09 >>Robert Eschenfelder: CODE ENFORCEMENT --
10:46:12 >> NO INVESTMENT.
10:46:15 >>Steven Sarkozy: I'M SORRY.
10:46:16 I'M OFF TRACK.
10:46:18 >>Robert Eschenfelder: YOU WANT ME TO TALK ABOUT MONEY?
10:46:20 [LAUGHTER]
10:46:21 >>Steven Sarkozy: DEFINITELY NO.
10:46:22 I'LL TURN IT OVER TO OUR FINANCE DIRECTOR, KEVIN, REGARDING
10:46:29 INVESTMENT.
10:46:30 I'M SORRY, COUNSEL.
10:46:36 >>Kevin Greenville: GOOD MORNING AGAIN, MAYOR AND COUNCIL.
10:46:38 BEFORE YOU IS ORDINANCE I BELIEVE NUMBER 2024-04, WHICH IS
10:46:45 GOING TO BE OUR INVESTMENT POLICY.
10:46:48 IF YOU'LL GIVE ME ONE MOMENT TO GET MY NOTES.
10:46:57 JUST TO RECAP, HISTORICALLY WE ADOPTED RESOLUTION NUMBER
10:47:04 2016-32 ON OCTOBER 19.

10:47:07 THIS BASICALLY ESTABLISHED THAT THE VILLAGE HAD NO WRITTEN
10:47:11 INVESTMENT POLICY.
10:47:14 AND TO BASICALLY TO MEET OUR ALLOWABLE INVESTMENTS, WE JUST
10:47:19 USED THE BASELINE POLICY FROM FLORIDA STATUTE 218.415.
10:47:25 AGAIN, THIS IS VERY LIMITING, ONLY LIKE FIVE OR SIX THINGS
10:47:28 WE CAN DO.

10:47:29 SO WITHIN THE ORDINANCE AND WITHIN YOUR SUMMARY SHEET AND
10:47:32 WITHIN THE POLICY, REALLY THE MAIN ITEM TO LOOK AT JUST FOR
10:47:38 PURPOSES OF RIGHT NOW JUST GOING OVER THIS IS THIS IS NOW
10:47:45 OUR ALLOWABLE INVESTMENTS.
10:47:49 IT REALLY EXPANDS WHAT WE CAN DO AND IT ALSO PUTS MATURITY
10:47:53 LIMITS.
10:47:54 SO WE CAN'T GO OUT 20, 25 YEARS ON THINGS.
10:47:58 AND IT PUTS ALLOCATION LIMITS, TOO, SO WE ARE NOT HEAVILY
10:48:01 INVESTED IN ONE AREA.
10:48:03 IT MINIMIZES THAT RISK OF BEING OVERINVESTED IN SOMETHING.
10:48:06 IN ADDITION TO THIS, WE ENGAGE PUBLIC TRUST ADVISORS BACK IN
10:48:13 JUNE OF LAST YEAR TO BE OUR FINANCIAL INVESTMENT
10:48:16 CONSULTANTS.
10:48:17 WE HAVEN'T PAID THEM A DIME YET JUST BECAUSE THEY REALLY
10:48:21 CAN'T DO ANYTHING FOR US UNTIL WE IMPLEMENT THIS POLICY
10:48:24 WHICH ALLOWS US TO ENGAGE THEM AND TO, AGAIN, GET THE WHOLE
10:48:28 YIELD CURVE IS WHAT WE'RE AIMING FOR IN THAT CONSISTENT,
10:48:33 STEADY REVENUE.
10:48:34 JUST THE PURPOSE OF THIS POLICY IS TO SET FORTH THE

10:48:37 INVESTMENT OBJECTIVES AND PARAMETERS FOR THE MANAGEMENT OF
10:48:39 PUBLIC FUNDS.
10:48:40 THEY ARE DESIGNED TO SAFEGUARD THE FUNDS, PROVIDE FOR THE
10:48:43 AVAILABILITY OF OPERATING AND CAPITAL FUNDS AND PROMOTE AN
10:48:47 INVESTMENT RETURN COMPETITIVE WITH COMPARABLE FUNDS AND
10:48:50 MARKET INDEXES.
10:48:52 THIS HAS BEEN REVIEWED BY US INTERNALLY.
10:48:58 THIS HAS BEEN REVIEWED BY PUBLIC TRUST ADVISORS AND ALSO
10:49:01 REVIEWED BY MR. ESCHENFELDER.
10:49:03 IF YOU HAVE ANY QUESTIONS OR ELABORATE ON ANYTHING, PLEASE
10:49:07 LET ME KNOW.
10:49:07 >>Mayor McLain: ANY QUESTIONS?
10:49:08 VICE-MAYOR.
10:49:09 >>Vice-Mayor Ribble: ONCE WE APPROVE THIS AT THE SECOND
10:49:12 READING, WHO MAKES THE DECISIONS ON HOW WE WILL ALLOCATE OUR
10:49:19 MONEY TO INVEST?
10:49:21 IS IT OUR INVESTMENT PARTNERS AND YOU OR YOU?
10:49:23 >>Kevin Greenville: I BELIEVE IT READS THE VILLAGE MANAGER
10:49:26 AND OR HIS DESIGNEE.
10:49:28 SO IT WOULD BE US --
10:49:30 >>Vice-Mayor Ribble: IT WOULD BE THE VILLAGE.
10:49:31 >>Kevin Greenville: YEAH, IN CONJUNCTION WITH THEM.
10:49:34 I DO THINK BEFORE WE GO FORWARD WITH OUR INVESTMENT PLAN, I
10:49:38 THINK IT WOULD BE PRUDENT JUST TO BRING FORWARD TO YOU GUYS
10:49:42 SOME INFORMATION ON HOW WE'RE DOING THINGS, IF YOU GUYS

10:49:44 WOULD LIKE.
10:49:45 THAT COULD BE SOMETHING WE COULD DO LATER ON.

10:49:50 >>Mayor McLain: WE'VE GOT FUNDS.
10:49:52 THEY ARE MAKING INTEREST.
10:49:54 I RECALL LAST YEAR, WE'RE AT A 5% RATE.
10:50:00 >>Kevin Greenville: WE HAVE RIGHT NOW ABOUT 80% OF OUR FUNDS
10:50:03 IN FLORIDA CLASS.
10:50:05 THAT IS A STABLE FUND.
10:50:07 IT'S TRIPLE-A F OR M, THE ABSOLUTE HIGHEST IT CAN BE, AND
10:50:13 THAT IS EARNING ABOUT A 5.4 RETURN AS OF TODAY, THIS
10:50:17 MORNING.
10:50:17 IT'S BEEN PROBABLY THE LAST YEAR LIKE RIGHT AROUND 5.4.
10:50:21 WE'VE BEEN GETTING A REALLY GOOD RETURN ON THAT, BUT AT SOME
10:50:24 POINT, THAT IS GOING TO GO DOWN.
10:50:26 WHAT WE'RE TRYING IS TO CAPTURE THE RATES NOW INTO THE
10:50:30 FUTURE.
10:50:31 AGAIN, CAPTURE THAT ENTIRE YIELD.
10:50:36 >>Jim Ward: THE INTENT BASICALLY IS TO TAKE A LITTLE BIT OF
10:50:39 A HAIR CUT ON THE HIGHER SHORT TERM IN ORDER TO MAXIMIZE THE
10:50:42 LONG TERM.
10:50:43 >>Kevin Greenville: ABSOLUTELY, COUNCILMAN WARD.
10:50:47 >>Robert Eschenfelder: JUST TO ANSWER THE VICE-MAYOR'S
10:50:48 QUESTION, IF YOU LOOK AT PAGE 4 OF THE ORDINANCE, SECTION
10:50:50 2-203 SUB A, NO PERSON MAY ENGAGE IN AN INVESTMENT
10:50:54 TRANSACTION EXCEPT AS AUTHORIZED UNDER THE TERMS OF THIS

10:50:58 INVESTMENT POLICY.
10:50:59 THE RESPONSIBILITY FOR PROVIDING OVERSIGHT AND DIRECTION IN
10:51:02 REGARD TO THE MANAGEMENT OF THE INVESTMENT PROGRAM RESIDES
10:51:05 WITH THE VILLAGE'S FINANCE DIRECTOR.
10:51:07 THE FINANCE DIRECTOR IS ALSO DESIGNATED AS THE INVESTMENT
10:51:10 OFFICER OF THE VILLAGE AND IS RESPONSIBLE FOR INVESTMENT
10:51:13 DECISIONS AND ACTIVITIES UNDER THE DIRECTION OF THE VILLAGE
10:51:15 MANAGER.
10:51:16 NO DECISION WILL BE MADE UNLESS OUR STAFF MAKES IT.
10:51:22 >>Mayor McLain: AND THE OFFICER I'M ASSUMING WOULD BE KEVIN
10:51:25 OR WOULD THAT BE SOMEBODY ELSE?
10:51:27 >>Steven Sarkozy: WELL, WE CONFER ON MOST, IF NOT ALL OF
10:51:32 THOSE INVESTMENT POLICIES.
10:51:34 KEVIN HAS THE PRIMARY ROLE OF MONITORING AND RECOMMENDING.
10:51:43 >>Kevin Greenville: IT'S A COLLABORATION.
10:51:45 I WAS HOPING WHEN I SAID VILLAGE, THAT STEVE WOULD MAKE ME
10:51:47 THE DESIGNEE.
10:51:48 BUT IT SEEMS LIKE THAT.
10:51:51 >>Mayor McLain: ALL RIGHT.
10:51:51 ANY OTHER QUESTIONS?
10:51:53 NO QUESTIONS, DO WE HAVE ANYONE SIGNED UP FOR PUBLIC
10:51:58 COMMENT?
10:51:58 >>Carol Sacco: MAYOR, WE HAVE NO PUBLIC COMMENT AND NO
10:52:00 E-COMMENTS.

10:52:01 >>Mayor McLain: OKAY.

10:52:01 MAY I RECEIVE A MOTION TO PASS THE FIRST READING ON
10:52:05 ORDINANCE 2024-04?
10:52:08 COUNCILMAN WARD HAS MADE THE MOTION AND SECONDED BY
10:52:11 COUNCILMAN LOPEZ.
10:52:12 MADAM CLERK, PLEASE CALL THE ROLL?
10:52:14 >>Carol Sacco: WHO WAS THE SECOND?
10:52:16 >>Mayor McLain: COUNCILMAN LOPEZ.
10:52:19 >>Larry Fiesel: AYE.
10:52:21 >>Lori Fayhee: AYE.
10:52:23 >>Rafael Lopez: AYE.
10:52:24 >>Jim Ward: AYE.
10:52:26 >>George Zalucki: AYE.
10:52:26 >>Vice-Mayor Ribble: AYE.
10:52:27 >>Mayor McLain: AYE.
10:52:31 >>Mayor McLain: NEXT ON THE AGENDA IS THE SECOND READING OF
10:52:33 ORDINANCE NUMBER 2024-03, CODE ENFORCEMENT.
10:52:37 MADAM CLERK, HAS THE ORDINANCE BEEN PROPERLY ADVERTISED?
10:52:42 >>Carol Sacco: YES, MAYOR.
10:52:44 I HAVE TO READ THE ORDINANCE.
10:52:45 >>Mayor McLain: PLEASE READ THE TITLE?
10:52:48 >>Carol Sacco: ORDINANCE 2024-03, AN ORDINANCE OF THE
10:52:51 VILLAGE COUNCIL OF THE VILLAGE OF ESTERO, FLORIDA, AMENDING
10:52:53 ARTICLE II OF CHAPTER 1 OF THE VILLAGE CODE REGARDING CODE
10:52:57 ENFORCEMENT; MAKING RELATED FINDINGS; AND PROVIDING FOR
10:53:00 SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

10:53:03 >>Mayor McLain: THANK YOU.
10:53:04 STEVE, WOULD YOU INTRODUCE THIS ORDINANCE?
10:53:08 >>Steven Sarkozy: NOW I WILL TURN IT OVER TO ROB.
10:53:10 >>Robert Eschenfelder: I DID MAJOR IN FINANCE IN UNDERGRAD.
10:53:13 I WILL SAY THAT.
10:53:14 THANK YOU, MR. MANAGER.
10:53:16 I TICKED OFF THE VARIOUS THINGS THAT THIS ORDINANCE DID IN
10:53:20 OUR FIRST READING, UNLESS YOU NEED ME TO, I WON'T READ IT
10:53:24 ALL AGAIN.
10:53:24 IT IS IN YOUR AGENDA MEMO THERE.
10:53:26 BASICALLY, THIS IS PART OF OUR CODE REVISION PROJECT, IF YOU
10:53:30 WILL, WHERE IF I SEE IMPROVEMENTS TO BE MADE, I'M
10:53:34 RECOMMENDING THEM TO YOU.
10:53:35 IT PROVIDES A LOT OF DETAIL THAT AS WE DISCUSSED LAST TIME,
10:53:39 I THINK NOT JUST OUR STAFF BUT OUR RESIDENTS.
10:53:41 IT'S A ONE-STOP SHOP.
10:53:44 IF OUR RESIDENTS SAY I'M HAVING SOME INVOLVEMENT WITH CODE
10:53:46 ENFORCEMENT, I DON'T UNDERSTAND THIS PROCESS, ALL THEY HAVE
10:53:49 TO DO IS GO TO MUNICODE AND IT IS RIGHT THERE.
10:53:53 HOW DOES IT START, FINISH?

10:53:55 WHAT ARE THE PENALTIES YOU ARE SUBJECT TO?
10:53:57 WHAT ARE THE PROCEDURES INVOLVED?
10:53:58 AND AS WELL, I THINK IT HELPS GUIDE, YOU KNOW, TO CLARIFY
10:54:02 WHAT IS THE AUTHORITY OF THE MAGISTRATE THAT WE HAVE WHO
10:54:06 HEARS OUR CODE ENFORCEMENT TO MAKE SURE THAT THAT MAGISTRATE

10:54:09 DOESN'T DRIFT OFF AND START TRYING TO RULE ON CONSTITUTIONAL
10:54:12 ISSUES OR STATUTORY INTERPRETATION, BUT JUST TO STICK TO,
10:54:15 WAS THERE A VIOLATION OF THE VILLAGE CODE OR NOT AND LEAVE
10:54:19 THOSE OTHERS TO COURT.
10:54:21 REALLY THERE HASN'T BEEN ANY CHANGE IN THE DRAFT SINCE OUR
10:54:23 FIRST READING BECAUSE COUNCIL DIDN'T REALLY ASK FOR ANY
10:54:26 CHANGES.
10:54:26 I DO RECOUNT THAT SEVERAL COUNCIL MEMBERS ASKED MORE
10:54:31 PROCEDURE OR PROCESS ORIENTED QUESTIONS ABOUT THE MECHANICS
10:54:35 OF HOW THE CODE ENFORCEMENT PROCESS OCCURS AND WHAT IS THE
10:54:39 CURRENT STATUS OF OUR LIENS.
10:54:41 I THINK COUNCILMEMBER WARD ASKED SOME QUESTIONS ABOUT THAT.
10:54:44 SO I DID SPEAK WITH DIRECTORS GIBBS WHO WASN'T ABLE TO BE
10:54:48 HERE.
10:54:48 SHE HAD A CONFERENCE CALL TODAY AND OUR CODE MANAGER IS OUT
10:54:52 IN THE FIELD.
10:54:53 BUT THEY ARE WORKING ON PUTTING FORWARD A WORKSHOP FOR YOU
10:54:56 IN THE FUTURE TO SORT OF GO OVER WHERE ARE WE AT IN TERMS OF
10:55:00 HOW MANY LIENS DO WE HAVE RECORDED RIGHT NOW, WHAT IS THE
10:55:04 TOTAL DOLLAR VALUE, THOSE SORTS OF THINGS THAT ARE OUTSIDE
10:55:08 THE ORDINANCE BUT OF INTEREST TO COUNCIL MEMBERS.
10:55:09 WITH THAT, I'LL TURN IT BACK OVER FOR ANY QUESTIONS.
10:55:12 >>Mayor McLain: ANY QUESTIONS FROM COUNCIL?
10:55:13 NO QUESTIONS.
10:55:18 COUNCILWOMAN FAYHEE.

10:55:19 >>Lori Fayhee: ON SECTION 1-45 E.
10:55:27 THIS GOES OVER REQUIREMENTS OF A PROPERTY OWNER,
10:55:39 REQUIREMENTS THAT THEY HAVE TO DO IF THEY -- IF IT'S SUBJECT
10:55:45 TO ENFORCEMENT PROCEEDINGS.
10:55:48 AND MY QUESTION IS, IS IT SOMEWHERE ELSE THAT IT DESCRIBES,
10:55:58 YOU KNOW, WHAT IF THEY DON'T FOLLOW THOSE PROCEDURES?
10:56:03 >>Steven Sarkozy: WELL, IF THEY DON'T FOLLOW THE PROCEDURES,
10:56:04 THEN A HEARING IS SET BEFORE THE VILLAGE'S SPECIAL
10:56:09 MAGISTRATE.
10:56:10 THE CODE MANAGER WILL PRESENT THE CASE, AND IF YOU ALL
10:56:15 HAVEN'T BEEN TO ONE OF THESE, YOU MIGHT WANT TO COME AND SIT
10:56:18 THROUGH ONE ONE DAY.
10:56:20 THEY ARE USUALLY SCHEDULED EVERY MONTH BUT SOMETIMES THEY
10:56:23 GET CANCELED SO YOU CAN SORT OF SEE THE PROCESS.
10:56:25 BUT OUR CODE MANAGER DOES A GOOD JOB.
10:56:28 HE PUTS THE PHOTOGRAPHS ON THE SCREEN FOR THE MANAGER AND

10:56:31 TESTIFIES, HERE'S WHAT I DID.
10:56:33 I GOT THE COMPLAINT, AND BECAUSE FLORIDA LAW DOES NOT ALLOW
10:56:38 FOR ANONYMOUS COMPLAINTS, HE'S GOT TO SAY THAT THE COMPLAINT
10:56:41 DID COME FROM A DOCUMENTED CITIZEN REQUEST.
10:56:43 THE MAGISTRATE THEN TAKES ALL THAT, HEARS FROM THE VIOLATOR.
10:56:48 THE VIOLATOR IS SOMETIMES HERE, SOMETIMES NOT.
10:56:50 AND THEN MAKES A RULING AS TO WHETHER THE VIOLATION OCCURS.
10:56:55 SO THAT PROCESS IS 1-46, WHICH IS THE CONDUCT OF THE
10:56:59 HEARING.

10:57:00 >>Lori Fayhee: I PROBABLY DIDN'T ASK PROPERLY, ROB.
10:57:04 I'M SORRY.
10:57:04 I WAS THINKING ABOUT THE CASE WE HAD WHERE THE PROPERTY HAD
10:57:08 BEEN SOLD AND THE NEW OWNER HAD COME IN AND TRIED TO ADDRESS
10:57:16 THE FINES.
10:57:19 IS THIS WRITTEN SO THAT WE WILL AVOID THAT SITUATION OR --
10:57:24 >>Robert Eschenfelder: SUB E SAYS IF THE OWNER OF PROPERTY
10:57:26 THAT IS SUBJECT TO AN ENFORCEMENT PROCEEDING BEFORE THE
10:57:29 SPECIAL MAGISTRATE OR COURT TRANSFERS OWNERSHIP OF SUCH
10:57:33 PROPERTY BETWEEN THE TIME THE INITIAL PLEADING WAS SERVED
10:57:37 AND THE TIME OF THE HEARING, SUCH OWNER SHALL DISCLOSE IN
10:57:42 WRITING THE EXISTENCE THE NATURE OF THE PROCEEDING TO
10:57:45 TRANSFEREE, DELIVER TO THE TRANSFEREE A COPY OF THE
10:57:49 PLEADINGS, NOTICE, AND OTHER MATERIALS RELATING TO THE CODE
10:57:51 ENFORCEMENT PROCEEDINGS, PROVIDE WRITTEN DISCLOSURE TO THE
10:57:54 TRANSFEREE THAT THE TRANSFEREE WILL BE RESPONSIBLE FOR
10:57:57 COMPLIANCE WITH THE APPLICABLE CODE AND WITH ORDERS ISSUED
10:58:01 IN THE CODE ENFORCEMENT PROCEEDING AND FILING NOTICE WITH
10:58:05 THE CODE ENFORCEMENT OFFICIAL OF THE TRANSFER OF THE
10:58:08 PROPERTY, IDENTITY AND ADDRESS OF THE NEW OWNER AND COPIES
10:58:11 OF THE ABOVE REQUIRED DISCLOSURES MADE TO THE NEW OWNER
10:58:14 WITHIN FIVE DAYS OF THE DATE OF THE TRANSFER.
10:58:15 SO THAT IS INTENDED TO MAKE SURE THAT PEOPLE WHO HOLD LAND
10:58:20 THAT IS CURRENTLY SUBJECT TO ENFORCEMENT DON'T FLIP THAT
10:58:24 LAND AND THIS IS VERY COMMON FOR, USE THE WORD, SLUMLORDS,

10:58:28 BUT PEOPLE WHO ARE LANDLORDS OF PROPERTIES THAT THEY ARE NOT
10:58:33 TAKING CARE OF.
10:58:33 SO THERE'S FREQUENT VIOLATIONS.
10:58:36 SO HOW THEY AVOID EVER ACTUALLY GETTING CITED IS THEY JUST
10:58:41 KEEP FLIPPING IT.
10:58:42 SOMETIMES THEY ARE FRIENDS WITH EACH OTHER AND SO THEY'LL
10:58:44 FLIP IT TO THIS LLC AND THEN WHEN IT GETS CLOSE TO A
10:58:48 HEARING, THEY'LL FLIP IT TO ANOTHER LLC, SUCH THAT YOU CAN
10:58:51 KEEP THESE THINGS DRAGGING ON FOR YEARS AND YEARS.
10:58:54 THIS PROVISION IS INTENDED TO TRY TO DEAL WITH THAT.
10:58:57 I THINK, COUNCILMEMBER, WHAT YOU'RE REFERRING TO IS LESS A
10:59:00 VIOLATION, MORE OF A LIEN ENFORCEMENT.

10:59:03 SO THERE THE MAGISTRATE HAS ALREADY ENTERED HIS OR HER
10:59:08 ORDER.
10:59:08 THAT HAS ALREADY BEEN RECORDED IN THE CLERK OF THE CIRCUIT
10:59:11 COURT.
10:59:12 SO IT HAS BECOME A LIEN.
10:59:15 IN THAT SETTING, IF THEN THE PROPERTY IS TRANSFERRED, THIS
10:59:19 CODE DOESN'T DEAL WITH THAT BECAUSE THAT GOES BEYOND REALLY
10:59:23 WHAT WE'RE LEGALLY ALLOWED TO DEAL WITH IN FLORIDA LAW.
10:59:27 FLORIDA LAW PROVIDES THAT A RECORDED CODE LIEN IS --
10:59:32 RECORDED CODE ENFORCEMENT ORDER IS A LIEN AGAINST THE LAND
10:59:35 AND AGAINST THE OWNER OF THAT LAND FOR HIS OR HER, ITS
10:59:40 PERSONAL PROPERTY.
10:59:40 SO WHAT YOU GET, AND YOU ALL ARE VERY FRUSTRATED WITH THIS

10:59:44 WHEN IT HAPPENS, SOMEONE COMES FORWARD AND SAYS I'M AN
10:59:47 INNOCENT OWNER.
10:59:48 GEE-WHIZ, I DIDN'T KNOW ABOUT THIS LIEN THAT HAS BEEN ON THE
10:59:52 BOOKS.
10:59:53 THERE IT'S NOT SOMETHING YOU DEAL WITH IN CODE.
10:59:56 MORE THAT YOU GUYS DEAL WITH WHEN YOU'RE TALKING WITH THESE
10:59:59 PEOPLE WHO WANT THE LIEN RELEASE OR LIEN REDUCTION TO SORT
11:00:02 OF EXPLORE, WELL, WAIT A MINUTE, YOU BOUGHT THIS PROPERTY.
11:00:06 NOW, WHEN I BUY PROPERTY, I DO MY DUE DILIGENCE.
11:00:10 AND YOU GET A TITLE REPORT.
11:00:11 AND THE TITLE REPORT WOULD POP THIS LIEN IMMEDIATELY.
11:00:17 YOU EITHER KNEW OF THIS LIEN OR SHOULD HAVE KNOWN ABOUT THIS
11:00:20 LIEN.
11:00:20 THE PERSON WOULD SAY, WELL, GEE-WHIZ, YES, I DID KNOW ABOUT
11:00:24 THE LIEN BUT FIGURED YOU WOULD BE MERCIFUL ON ME BECAUSE I'M
11:00:29 NEW.
11:00:29 THERE YOU CAN ENGAGE IT IN THE CONVERSATION OF ALL RIGHT,
11:00:33 WELL, WHAT ARE YOU GOING TO DO FOR US?
11:00:36 IF WE'RE MERCIFUL ON YOU TO TAKE AWAY THIS HUNDRED THOUSAND
11:00:39 DOLLAR LIEN, ARE YOU GOING TO PUT A SUBSTANTIAL INVESTMENT
11:00:42 INTO THIS PROPERTY TO MAKE IT BEAUTIFUL?
11:00:44 IT'S A DISCUSSION THAT SOMETIMES COUNCIL WILL HAVE.
11:00:47 I THINK JUST BECAUSE A PERSON IS A NEW OWNER, I'M NOT A BIG
11:00:52 FAN OF GIVING GREAT REDUCTIONS TO PEOPLE WHO ARE NEW OWNERS
11:00:56 BECAUSE I FEEL, THIS IS ME PERSONALLY TALKING, I FEEL THEY

11:01:00 SHOULD HAVE DONE THEIR DUE DILIGENCE.
11:01:02 EVEN IF THEY BUY IT WITH A LIEN, THEY PROBABLY GOT A REAL
11:01:05 GOOD DISCOUNT BECAUSE OF THE LIEN.
11:01:06 SO THAT WAS ALREADY FACTORED INTO WHAT THEY PAID FOR THE
11:01:09 PROPERTY.
11:01:10 I DON'T KNOW IF THAT ANSWERED YOUR QUESTION.
11:01:12 >>Lori Fayhee: THANK YOU.
11:01:13 >>Rafael Lopez: WE DISCUSSED AT THE LAST MEETING WITH

11:01:16 STANLEY, IS THERE ANYTHING IN THE STATE THAT SAYS WE HAVE TO
11:01:21 CALL IT CODE ENFORCEMENT AS OPPOSED TO CODE COMPLIANCE?
11:01:24 >>Robert Eschenfelder: NO.
11:01:25 THAT'S JUST SEMANTICS.
11:01:26 IF COUNCIL WANTS THE VILLAGE'S FUNCTION TO BE THE CODE
11:01:32 COMPLIANCE DIVISION AND HAVE ALL DOCUMENTS READ CODE
11:01:36 COMPLIANCE, JUST MAKE A MOTION AND THE ADMINISTRATION WILL
11:01:41 COMPLY.
11:01:41 >>Rafael Lopez: I KNOW THAT OUR CODE COMPLIANCE OFFICER, HIS
11:01:46 CARDS SAY CODE COMPLIANCE, NOT CODE ENFORCEMENT.
11:01:47 I THINK WE SHOULD FOLLOW SUIT WITH THAT.
11:01:50 I THINK IT GIVES IT A BETTER FEELING IN THE VILLAGE THAT
11:01:55 WE'RE MAKING PEOPLE TO COMPLY AS OPPOSED TO ENFORCING THESE
11:02:00 LAWS AND STUFF.
11:02:01 JUST MY OPINION.
11:02:04 >>Mayor McLain: WOULD THAT BE PART OF THIS ORDINANCE TO MAKE
11:02:06 THAT CHANGE?

11:02:09 >>Rafael Lopez: I'M SORRY TO MAKE YOU DO MORE WORK.
11:02:12 >>Mayor McLain: IT SOUNDS A LITTLE MORE FRIENDLY.
11:02:14 >>Rafael Lopez: ABSOLUTELY.
11:02:16 >>Robert Eschenfelder: THE CODE DOES HAVE, LIKE IF YOU LOOK
11:02:18 AT 1-43, THE DEFINITIONS, WE DO SAY CODE ENFORCEMENT SPECIAL
11:02:22 MAGISTRATE AND CODE ENFORCEMENT OFFICER.
11:02:25 SO IF COUNCIL WANTS, WE CAN GO THROUGH -- YOU CAN MAKE YOUR
11:02:30 MOTION TO APPROVE SUBJECT TO CHANGING ALL THAT TERMINOLOGY
11:02:34 TO COMPLIANCE.
11:02:35 AND THAT WOULD TAKE A COUPLE OF MINUTES FOR ME TO DO.
11:02:39 >>Mayor McLain: ANY OTHER QUESTIONS FROM COUNCIL?
11:02:41 DO WE HAVE ANYONE SIGNED UP TO SPEAK?
11:02:46 >>Carol Sacco: NO, MAYOR, WE HAVE NO E-COMMENTS AND NO
11:02:48 COMMENTS.
11:02:50 >>Mayor McLain: WE ARE READY TO TAKE A MOTION ON THIS.
11:02:55 COUNCILMAN FAYHEE HAS MADE THE MOTION.
11:02:57 DO YOU WANT TO MAKE THAT MOTION SUBJECT TO THE CHANGE OF
11:03:01 WORDING TO CODE -- WHATEVER WE SAID THERE.
11:03:05 >>Rafael Lopez: CODE COMPLIANCE.
11:03:06 >>Mayor McLain: CODE COMPLIANCE.
11:03:08 OKAY.
11:03:09 WE HAVE A MOTION.
11:03:13 SECOND?
11:03:14 SECOND FROM COUNCILMAN LOPEZ.
11:03:18 MADAM CLERK, WOULD YOU PLEASE CALL THE ROLL.

11:03:21 >>George Zalucki: AYE.
11:03:23 >>Jim Ward: AYE.
11:03:25 >>Rafael Lopez: AYE.
11:03:27 >>Lori Fayhee: AYE.

11:03:28 >>Larry Fiesel: AYE.
11:03:29 >>Vice-Mayor Ribble: AYE.
11:03:30 >>Mayor McLain: AYE.
11:03:31 NEXT ON THE AGENDA IS COUNCIL COMMUNICATIONS AND FUTURE
11:03:36 AGENDA ITEMS.
11:03:37 WHY DON'T WE START WITH GEORGE.
11:03:44 ARE YOU READY?
11:03:45 >>George Zalucki: ABSOLUTELY.
11:03:46 THANK YOU, MAYOR.
11:03:46 I JUST HAVE ONE THING TO SHARE WITH EVERYBODY.
11:03:49 WE ARE ACTUALLY TEN DAYS AWAY FROM ESTERO FEST, WHICH IS
11:03:52 SPONSORED BY THE GREATER ESTERO CHAMBER OF COMMERCE.
11:03:56 EXCITED TO SAY THAT WE'RE GOING TO HAVE A GREAT, GREAT DAY
11:03:59 FOR THE ENTIRE FAMILY ON MARCH 16 FROM 1 P.M. TO 9 P.M.
11:04:05 WE'RE GOING TO INCLUDE A KID ZONE WITH A BOUNCE HOUSE, ARTS
11:04:09 AND CRAFTS, MUSIC, DANCE, AND MAGIC SHOWS.
11:04:13 WE'LL HAVE FACE PAINTING, KID FRIENDLY FOOD TRUCKS, ALL
11:04:16 KINDS OF FOOD, AN ADULT AREA FOR BEVERAGES AS WELL, BEER AND
11:04:20 WINE GARDEN.
11:04:21 WE HAVE, OF COURSE, THE BEN ALLEN BAND IS THE HEADLINER, BUT
11:04:24 WE RECENTLY ACQUIRED OUR GOOD FRIEND AND LOCAL MUSICIAN, THE

11:04:29 SWAMPS BLUE BAND, WHICH IS ANTONIO, WHICH WILL ALSO BE
11:04:32 PERFORMING FROM 4 TO 5 P.M.
11:04:34 BEN TAKES THE STAGE AT 6.
11:04:37 IT'S GOING TO BE A GREAT DAY.
11:04:38 ENCOURAGE EVERYBODY TO COME OUT AND SAY HELLO.
11:04:40 WE LOOK FORWARD TO SEEING YOU.
11:04:41 THANK YOU.
11:04:42 >>Mayor McLain: COUNCILMAN WARD.
11:04:43 >>Jim Ward: HAD AN OPPORTUNITY YESTERDAY TO ATTEND A
11:04:47 DISCUSSION ON THE ESTERO RIVER AT THE PELICAN SOUND.
11:04:52 STEVE AND DAVID WERE KEYNOTE SPEAKERS AT THAT, AS WELL AS
11:04:56 CALUSA WATER KEEPERS.
11:04:58 THEY DID A REALLY NICE OVERVIEW OF SOME OF THE ISSUES WITH
11:05:02 THE ESTERO RIVER AND SOME OF THE PROJECTS THAT ARE ONGOING.
11:05:06 I THOUGHT STEVE AND DAVID DID AN EXCELLENT JOB OF GIVING AN
11:05:12 OVERVIEW OF WHAT THE VILLAGE IS DOING TO KEEP THE RIVER
11:05:17 HEALTHY AND TO CORRECT SOME OF THE DEFICIENCIES THAT THE
11:05:21 RIVER HAS.
11:05:23 INTERESTINGLY ENOUGH, THERE WAS A LARGE QUESTION AND ANSWER
11:05:25 PERIOD AFTERWARDS, AND THE MAJORITY, IF NOT ALL OF THE
11:05:28 QUESTIONS, WERE DIRECTED TO STEVE AND DAVID AND I THOUGHT
11:05:32 THEY DID A GREAT JOB IN ANSWERING THOSE QUESTIONS AND PRETTY
11:05:35 MUCH JUST ENLIGHTENING THE COMMUNITY AS TO WHAT WE DO TO
11:05:39 HELP WITH THE HEALTH OF THE ESTERO RIVER.
11:05:41 THANK YOU.

11:05:43 >>Mayor McLain: THANK YOU.
11:05:44 COUNCILMAN LOPEZ.
11:05:46 >>Rafael Lopez: I ATTENDED -- I'VE ACTUALLY BEEN APPOINTED
11:05:49 BY CONGRESSMAN BYRON DONALDS TO BE ON THE -- LET ME SEE IF I
11:05:56 GET THIS RIGHT -- THE U.S. MILITARY ACADEMY SELECTION
11:06:01 COMMITTEE.
11:06:01 WE JUST HAD THE ACADEMY DAY AT FGCU MONDAY NIGHT.
11:06:08 I ENCOURAGE ANY STUDENT THAT IS IN HIGH SCHOOL OR IN MIDDLE
11:06:16 SCHOOL TO APPLY FOR THE MILITARY ACADEMY.
11:06:22 IT'S A GREAT PROGRAM.
11:06:23 THE CONGRESSMAN WILL MAKE RECOMMENDATIONS THROUGHOUT HIS
11:06:28 DISTRICT, AND IT'S A GREAT WAY FOR YOUNG MEN TO SERVE THEIR
11:06:32 COUNTRY AND TO HELP THE MILITARY.
11:06:36 IF YOU HAVE ANY QUESTIONS, YOU CAN REACH ME, E-MAIL ME OR
11:06:40 CALL ME AND I CAN ANSWER ANY QUESTIONS FOR EVERYBODY.
11:06:42 TOMORROW WILL BE THE ANNIVERSARY OF MY ELECTION, AND I JUST
11:06:52 WANT TO SAY THAT I AM REALLY HONORED THAT THE VILLAGE
11:06:57 RESIDENTS VOTED FOR ME AND THAT WE'RE DOING ALL THESE GREAT
11:07:01 THINGS FOR THE VILLAGE, AND I'M JUST GLAD TO BE PART OF THIS
11:07:04 GROUP THAT WE ARE DOING SO MANY GOOD THINGS FOR THE VILLAGE
11:07:08 AND I APPRECIATE EVERYBODY'S ASSISTANCE AND THANK YOU FOR
11:07:11 EVERYTHING.
11:07:11 THAT'S IT.
11:07:12 >>Mayor McLain: THANK YOU.
11:07:13 CONGRATULATIONS ON THE ANNIVERSARY.

11:07:16 >>Rafael Lopez: TOMORROW.
11:07:17 >>Mayor McLain: COUNCILMAN FAYHEE.
11:07:19 >>Lori Fayhee: I HAVE NOTHING TODAY.
11:07:20 THANK YOU.
11:07:21 >>Mayor McLain: COUNCILMAN FIESEL?
11:07:23 >>Larry Fiesel: YEAH, A COUPLE OF THINGS.
11:07:26 COUNCILMAN WARD TALKED ABOUT THE ESTERO RIVER NEIGHBORS
11:07:30 UPDATE THAT WE HAD AT PELICAN SOUND.
11:07:32 IT WAS THE SIXTH ANNUAL EVENT.
11:07:35 IT WAS QUITE WELL ATTENDED.
11:07:38 NOT SURE WHAT THE EXACT NUMBER WAS, BUT SOMEWHERE IN MAYBE
11:07:42 CLOSE TO A COUPLE HUNDRED PEOPLE, PERHAPS.
11:07:44 DAVID AND STEVE DID A GREAT JOB.
11:07:47 WHAT IMPRESSED ME THE MOST ABOUT THE DISCUSSION IN THE DAY
11:07:52 IS THEY KEPT IT DOWN TO A LEVEL THAT I WAS ABLE TO
11:07:55 UNDERSTAND WHAT THEY WERE TALKING ABOUT.
11:07:57 IN YEARS PAST, WE'VE HAD SOME VERY HIGHLY EDUCATED GENTLEMEN
11:08:02 FROM THE UNIVERSITY SPEAK AND KNOW THEY KNOW WHAT THEY ARE
11:08:06 TALKING ABOUT.
11:08:07 THEY KNOW, BUT I DON'T.
11:08:08 IT WAS BROUGHT DOWN TO A LEVEL THAT I WAS ABLE TO
11:08:12 UNDERSTAND.

11:08:13 WE HAVE IN OUR COMMUNITY ONE OF THE COMMITTEES THAT IS VERY,
11:08:17 VERY ACTIVE ON THE RIVER.
11:08:18 IT IS CALLED THE WATER RIVER CRAFT COMMITTEE.

11:08:21 AND THEY ARE VERY ACTIVELY INVOLVED IN TAKING CARE OF THE
11:08:25 RIVER IN WHATEVER WAY ECOLOGICALLY AND SAFETY AND PUTTING
11:08:29 SIGNS ON THE RIVER, AND THEY PUT THIS EVENT ON.
11:08:34 WE HAVE SOME VERY ACTIVE PEOPLE IN THE COMMUNITY.
11:08:37 THEN ON JUST A PERSONAL NOTE, WE HAVE IN OUR COMMUNITY A
11:08:44 DINING FACILITY AS WELL AS A WORKOUT FACILITY CALLED THE
11:08:47 RIVER CLUB.
11:08:49 APPROPRIATELY NAMED BECAUSE IT IS ON THE ESTERO RIVER.
11:08:53 YESTERDAY AT 2:00, WE CUT THE RIBBON FOR THE GRAND REOPENING
11:08:57 OF THE FACILITY SOME YEAR AND A HALF, 18 MONTHS AFTER THE
11:09:02 STORM EVENT IN SEPTEMBER OF 2022.
11:09:05 SO WE'RE VERY HAPPY AND PROUD THAT WE GOT THAT FACILITY BACK
11:09:10 UP AND RUNNING AND IN THE PERIOD OF TIME THAT WE WERE ABLE
11:09:15 TO GET THAT ACCOMPLISHED.
11:09:16 WE HAD A GREAT DAY YESTERDAY.
11:09:20 >>Mayor McLain: THANK YOU.
11:09:21 VICE-MAYOR.
11:09:22 >>Vice-Mayor Ribble: YEAH, JUST REAL QUICK.
11:09:24 IT'S WONDERFUL TO SEE ALL OF OUR ESTERO MONUMENTS IN PLACE
11:09:28 FINALLY.
11:09:28 I KNOW IT'S BEEN A LONG TIME COMING.
11:09:30 THEY LOOK GREAT.
11:09:31 I KNOW THEY ARE NOT FINISHED.
11:09:34 MOST OF THEM HAVE TO BE LANDSCAPED AND LIT.
11:09:36 BUT THE ONE ON 41 SOUTH LOOKS BEAUTIFUL WITH ITS

11:09:41 LANDSCAPING.
11:09:41 I COULDN'T IMAGINE HOW THEY WERE GOING TO BUILD THAT BERM
11:09:44 UP, SO YOU CAN SEE IT AS YOU'RE COMING NORTHBOUND, BUT THEY
11:09:49 ALL LOOK GREAT.
11:09:50 KUDOS TO THE STAFF AND I KNOW DAVID IS NOT HERE, BUT
11:09:53 ESPECIALLY TO DAVID.
11:09:53 I KNOW HE WORKED LONG AND HARD TO GET ALL THAT DONE.
11:09:56 I SAW HIM WITH HIS ORANGE VEST OUT IN THE STREET TRYING TO
11:09:59 PLACE THEM CORRECTLY MONTHS BACK.
11:10:02 IT'S GOOD TO SEE THAT THEY ARE FINALLY UP.
11:10:04 >>Mayor McLain: GOOD.
11:10:05 THANK YOU.
11:10:05 WELL, I'VE GOT A COUPLE OF THINGS.
11:10:09 ONE, WE TALK ABOUT IT ALREADY.
11:10:11 THE SIGNING OF THE LEASE FOR THE SCHOOL IS A MONUMENTAL
11:10:15 EVENT FOR THE WHOLE COMMUNITY AND OBVIOUSLY THE SCHOOL.
11:10:19 THE PRINCIPAL, HE WAS JUMPING UP AND DOWN, I THINK, TODAY,
11:10:21 WITH THE EXCITEMENT.

11:10:23 THE FACILITIES ARE GOING TO BE GREAT.
11:10:24 I THINK WE CAN ALL CELEBRATE THAT AS A VICTORY FOR THE
11:10:29 SCHOOL AND FOR THE VILLAGE OF ESTERO.
11:10:32 DOMINANT IN MY DISCUSSIONS HAS TO DO WITH RAILS TO TRAILS
11:10:39 AND ALL OF US ARE INVOLVED IN THAT.
11:10:42 I'M ACTUALLY MEETING THIS AFTERNOON WITH CHARLES HINES TO
11:10:47 GET FACTS BECAUSE RIGHT NOW WE DON'T HAVE A LOT OF FACTS.

11:10:50 I WOULD ENCOURAGE HIM TO WITH SOME KIND OF A SCHEDULE TO
11:10:55 COME BACK AND PRESENT TO US WHAT'S GOING ON, WHAT FINANCING
11:11:02 OPPORTUNITIES OR WHATEVER.
11:11:02 I'M NOT SURE -- THE ROLE IS REALLY GOING TO HELP US GET THIS
11:11:09 PUT TOGETHER, THE $82 MILLION.
11:11:10 THIS WEEK, I DID ATTEND A MEETING, MUST HAVE BEEN MONDAY OR
11:11:15 TUESDAY OF THIS WEEK OVER AT THE VINES.
11:11:19 I DON'T KNOW IF THAT PRECIPITATED THE MEETING, BUT DOUG
11:11:24 HATTAWAY, THE DIRECTOR OF THE TRUST FOR PUBLIC LANDS AND
11:11:29 MYSELF ARE GOING TO BE VISITING THE VINES NEXT TUESDAY FOR A
11:11:34 WALK-THROUGH, SO THEY GET APPRECIATION.
11:11:36 I THINK ALL OF YOU HAVE BEEN OVER TO THE VINES.
11:11:38 BUT GET AN IDEA OF WHAT IT LOOKS LIKE.
11:11:40 WHAT THE POTENTIAL ISSUES ARE, AND THEN HOPEFULLY USE THEIR
11:11:44 EXPERTISE TO BE ABLE TO ADDRESS IT.
11:11:46 I CAN TELL YOU THAT THE MEETING I HAD AT THE VINES, ABOUT A
11:11:49 HUNDRED PEOPLE WERE THERE, IT WAS A DIFFICULT MEETING
11:11:53 BECAUSE WE DON'T HAVE A LOT OF FACTS.
11:11:56 THERE WAS A LOT OF SPECULATION AND A LOT OF NEGATIVITY
11:12:01 RELATIVE TO WE JUST DON'T WANT IT GOING THROUGH OUR
11:12:05 NEIGHBORHOOD.
11:12:06 SO IT WAS DIFFICULT TO RESPOND TO THAT WHEN THERE'S THAT
11:12:09 MUCH EMOTION.
11:12:11 I THINK THE BEST WAY FOR MYSELF AND FOR ALL OF US IS TO MAKE
11:12:13 SURE THAT WE HAVE A GOOD UNDERSTANDING OF THAT BECAUSE

11:12:18 HOWEVER WE MOVE THIS THING FORWARD, WE'RE GOING TO NEED
11:12:22 EVERYBODY'S SUPPORT BECAUSE DEPENDING ON HOW WE ACTUALLY
11:12:25 MAKE THIS HAPPEN.
11:12:26 I WILL TRY TO GET BOTH CHARLES HINES AND DOUG HATTAWAY
11:12:31 INVOLVED WITH US IN A WORKSHOP I THINK HERE IN THE NEAR
11:12:35 FUTURE.
11:12:35 THE NEARER THE BETTER.
11:12:36 I THINK THEY'VE HAD SOME SESSIONS WITH BONITA.
11:12:41 OBVIOUSLY, BERT IS HEAVILY INVOLVED.
11:12:43 DEB ORTON IS THE PRESIDENT OF BERT NOW.
11:12:47 IF ANY OF YOU SAW ON THE BANNER I THINK TODAY'S EDITION IN
11:12:51 THE BANNER, THERE WAS A PRETTY NICE WRITE-UP OF THE
11:12:57 ADVANTAGES AND THE EXCITEMENT AROUND IT.
11:13:00 FOCUS A LITTLE BIT ON BONITA, THAT THEY'VE GOT -- IT'S GOING

11:13:04 TO REALLY HELP THEM IN THE RIVER DISTRICT THERE.
11:13:07 I AGREE WITH THAT.
11:13:09 AND THE LATTER PART OF THE ARTICLE DID SAY, I THINK IT WAS A
11:13:14 QUOTE FROM DEB ORTON, THAT ESTERO IS REALLY GOING TO BENEFIT
11:13:18 BECAUSE WE HAVE AN ENTERTAINMENT CENTER RIGHT THERE.
11:13:20 WE HAVE A LITTLE BIT OF A PLUG IN THAT THING.
11:13:23 THE MORE THAT GETS OUT, WHICH I EXPECT THERE WILL BE MORE
11:13:26 PUBLICITY, THE MORE WE'LL HAVE TO HAVE THE ANSWERS ON THERE
11:13:29 TO QUELL.
11:13:32 WE MAY NOT BE ABLE TO MAKE EVERYBODY HAPPY.
11:13:34 I THINK OUR COMMITMENT, MY COMMITMENT, I'VE ECHOED IT

11:13:38 SEVERAL TIMES AT THE VINES COMMUNITY IS THAT I WANT TO SEE
11:13:43 THIS PROJECT GO FORWARD.
11:13:45 AND I WANT TO WORK WITH THE VINES IN THE DESIGN PROCESS SO
11:13:49 THAT WE DON'T IMPACT THE SECURITY AND SAFETY OF THEIR
11:13:53 NEIGHBORHOOD, THAT WE DON'T INTERRUPT THE OPERATION OF THE
11:13:56 GOLF COURSE, AND THAT WE ALSO ARCHITECTURALLY DO IT IN A WAY
11:14:01 WHERE IT'S GOING TO BE A POSITIVE TO THE DEVELOPMENT AS
11:14:05 OPPOSED TO A NEGATIVE.
11:14:07 BUT THERE'S GOING TO HAVE TO BE A LOT MORE DISCUSSION WITH
11:14:10 THEM.
11:14:10 THEY HAVE A TEAM THERE.
11:14:12 I DON'T THINK WE'RE GOING TO HAVE THAT KIND OF ISSUES ALONG
11:14:15 THE WAY.
11:14:17 WE'LL GET QUESTIONS.
11:14:18 I KNOW THE CASCADES IN MY DISTRICT HAS BEEN CONCERNED.
11:14:22 IT'S CLOSE TO THEIR GATES.
11:14:23 WE'LL HAVE TO ADDRESS THOSE ON AN INDIVIDUAL BASIS.
11:14:26 AND WHEN YOU HAVE 130 FEET OF RIGHT-OF-WAY, I THINK THERE IS
11:14:29 A LOT YOU CAN DO TO MOVE WOBBLING BACK AND FORTH ON THE
11:14:34 TRAIL.
11:14:34 I THINK WE'RE ALL EXCITED ABOUT THAT.
11:14:36 JUST A MATTER WE'LL GET THE INFORMATION FOR YOU.
11:14:38 OTHER THAN THAT, I KNOW WE'LL BE BUSY.
11:14:40 WE HAVE A HEAVY AGENDA, STEVE AND HIS WHOLE STAFF.
11:14:44 GREAT TO HAVE VIESTE INVOLVED AS A SERIOUS PARTNER WITH US.

11:14:48 I THINK WE ALL HAVE CONFIDENCE THAT THEY'LL HELP US MOVE AND
11:14:52 INITIATE THESE THINGS AND GET THEM IMPLEMENTED.
11:14:55 >>Vice-Mayor Ribble: EXCUSE ME, MR. MAYOR, IN RELATIONSHIP
11:14:58 TO BERT THAT YOU JUST SPOKE ABOUT, MAYBE FOR FUTURE PLANNING
11:15:03 OUR ENTERTAINMENT CENTER, WE SHOULD LOOK AT ACCESS TO BERT
11:15:09 AND MAKE SURE WE PROVIDE PLENTY OF BICYCLE PARKING IN THAT
11:15:11 AREA.
11:15:12 I THINK IN THE FUTURE, THAT WOULD BE AN ACCESS POINT INTO
11:15:15 THAT.
11:15:15 MAYBE WE OUGHT TO THINK WHERE THAT MIGHT BE IN OUR PLAN.

11:15:19 JUST A THOUGHT.
11:15:20 >>Mayor McLain: I THINK YOU'RE RIGHT.
11:15:21 THE DESIGN OF THIS THING TO MAKE IT WORKABLE -- IN FACT,
11:15:25 I'VE HAD MEETINGS WITH MICHAEL WITH THAT HOPEFULLY BECOMING
11:15:32 A REALITY, HOW DO YOU ORIENT THE BUSINESSES THAT ARE GOING
11:15:36 TO BE ALONG THAT TRAIL?
11:15:37 A LOT OF TIMES YOU THINK PUT THEM TO WORK.
11:15:41 BACK IN.
11:15:44 PROBABLY BE TO THEIR ADVANTAGE TO TURN THEM AROUND.
11:15:46 GOING TO BE A LOT OF DISCUSSION AND REORIENTATION.
11:15:49 NOT GOING TO HAPPEN IN A YEAR.
11:15:52 WE HAVE TWO YEARS TO FINANCE IT.
11:15:54 PROBABLY ANOTHER YEAR OR TWO AFTER TO GET THE RAILROAD OUT
11:15:58 AND TRAIL HALFWAY IN.
11:16:00 I THINK IT'S PRETTY EXCITING.

11:16:01 THAT'S ALL MY COMMENTS.
11:16:02 I'LL TURN IT OVER TO THE VILLAGE ATTORNEY.
11:16:05 >>Robert Eschenfelder: THANK YOU, MAYOR AND COUNCIL MEMBERS.
11:16:07 JUST TWO QUICK ITEMS ON LITIGATION.
11:16:09 THE FIRST IS BECAUSE I KNOW COUNCILMEMBER FAYHEE HAS
11:16:13 EXPRESSED INTEREST AND OTHERS MAY BE INTERESTED AS WELL.
11:16:16 THE RILEY CASE, THE GARAGE CASE, MOTION FOR SUMMARY JUDGMENT
11:16:21 IS BEFORE THE COURT ON APRIL 2nd AT 10 A.M.
11:16:24 IF YOU WANT TO COME SIT IN THE AUDIENCE AND TELL THE JUDGE
11:16:28 TO HURRY UP.
11:16:29 I ANTICIPATE THAT THIS WILL BE THE HEARING WHEN FINALLY THE
11:16:33 JUDGE WILL SAY, HERE'S WHAT'S GOING TO HAPPEN.
11:16:36 I'LL, OF COURSE, LET YOU KNOW THE OUTCOME OF THAT.
11:16:39 THE ONLY OTHER ITEM IS YOU'LL RECALL, AND YOU KNOW I BRIEFED
11:16:44 EACH OF YOU INDIVIDUALLY ON THE LAWSUIT AGAINST THE VILLAGE
11:16:48 BY SUPERIOR LANDSCAPING.
11:16:51 I GOT AN E-MAIL LAST NIGHT FROM OPPOSING COUNSEL WHO IS
11:16:55 ASKING AGAIN ABOUT WHETHER THERE IS A POTENTIAL FOR
11:16:59 SETTLEMENT.
11:16:59 YOU'LL RECALL THAT WE STARTED WITH A SETTLEMENT OFFER OF
11:17:03 30,000 AND OUR LAST OFFER WAS 100.
11:17:07 SO THAT'S A 70,000 SHIFT ON OUR PART.
11:17:09 THEY STARTED WITH A DEMAND OF 220,000 PLUS ATTORNEY FEES,
11:17:15 AND NOW THEY ARE DOWN TO 140,000 WITH NO ATTORNEY FEES.
11:17:19 SO THAT'S AT LEAST 80,000 SWING MINUS THE ATTORNEY FEES ON

11:17:24 THEIR PART.
11:17:25 SO WE'RE WITHIN A RANGE OF 40,000.
11:17:28 SO WHAT I WOULD ASK IS WOULD YOU BE WILLING TO AUTHORIZE ME
11:17:32 TO GO TRY TO BRIDGE THE GAP, IF YOU WILL, AND REACH A
11:17:40 SETTLEMENT AGREEMENT SOMEWHERE BETWEEN THAT 100, 140 SO THAT
11:17:43 WE CAN PUT THE CASE TO BED?

11:17:45 IT'S DIFFICULT WITH A COLLEGIAL BODY, I CAN'T SAY I'VE GOT
11:17:50 AUTHORITY TO MAKE THIS OFFER UNLESS YOU ALL ARE COMFORTABLE
11:17:54 GIVING ME THAT AUTHORITY.
11:17:55 WHAT DO YOU ALL THINK?
11:17:59 >>Mayor McLain: ANY COMMENTS FROM COUNCIL?
11:18:01 I KIND OF HATE TO EXPOSE WHERE OUR LIMITS MIGHT BE IN A
11:18:04 PUBLIC FORUM.
11:18:05 >>Robert Eschenfelder: WE ALREADY KNOW THE RANGE, RIGHT?
11:18:07 WE'VE ALREADY MADE PER YOUR PRIOR AUTHORIZATION, A HUNDRED
11:18:09 THOUSAND DOLLAR OFFER TO RESOLVE THE CASE.
11:18:12 AND THEY HAVE ALREADY COME DOWN TO 140.
11:18:14 THE RANGE IS THERE.
11:18:17 I THINK I WILL MAKE THE ARGUMENTS ON BEHALF OF THE VILLAGE
11:18:22 WHY IT SHOULDN'T BE 140 AND THEY WILL MAKE ARGUMENTS WHY IT
11:18:26 SHOULDN'T BE 100.
11:18:27 MY HOPE IS WE'LL END UP SOMEWHERE IN THE MIDDLE.
11:18:30 THE DISCUSSION NEEDS TO BE HAD.
11:18:34 IT'S MORE DIFFICULT ON MY PART IF I DON'T FEEL LIKE I HAVE
11:18:38 THE AUTHORITY TO MAKE THE COMPROMISE THERE IN THE MOMENT

11:18:42 WHEN THEY DO.
11:18:43 AND THEN I'LL HAVE TO SAY, WELL, GEE-WHIZ, MAYBE THAT WILL
11:18:47 BE THE CASE, BUT I HAVE TO GO BACK TO TALK TO COUNCIL.
11:18:51 I THINK IF I HAVE THE AUTHORITY TO DO THAT, IT WILL STILL
11:18:54 COME BACK TO YOU.
11:18:55 YOU WILL SEE THE FINAL SETTLEMENT AGREEMENT, IF ONE IS
11:18:58 REACHED.
11:18:58 ALL I'M ASKING FOR IS WOULD YOU GIVE ME THE AUTHORITY TO
11:19:02 ACTUALLY WORK WITHIN THAT RANGE.
11:19:05 >>George Zalucki: THANK YOU, MAYOR.
11:19:06 ROB, CAN YOU PLEASE REMIND US, I BELIEVE THE ORIGINAL
11:19:09 INVOICE TO THAT COMPANY WAS OVER 200,000.
11:19:12 >>Robert Eschenfelder: CORRECT, YEAH.
11:19:14 >>George Zalucki: WE WOULD BE COMING OFF THAT.
11:19:16 THE $100,000, GAVE YOU THAT RECOMMENDATION AT A PREVIOUS
11:19:20 MEETING, GOING BACK AND FORTH, THEY WANT TO HIT THEIR
11:19:23 INVOICE NUMBER WHICH IS OVER 200.
11:19:25 I THINK 140 AS A STARTING POINT AND YOU CAN HIT THE RANGE I
11:19:28 THINK IS A GOOD SOLID IDEA AND I WOULD SUPPORT US MOVING
11:19:32 FORWARD WITH GIVING ROB THAT AUTHORITY.
11:19:38 >>Larry Fiesel: JUST A CLARIFICATION.
11:19:39 WE'RE ONLY DEALING WITH THE $40,000 DIFFERENCE.
11:19:42 THE ATTORNEY FEES ARE OFF THE TABLE, IS THAT CORRECT?
11:19:44 >>Robert Eschenfelder: SETTLE MEANS SETTLE.
11:19:45 ALL ATTORNEY FEES, ALL COSTS, YEAH.

11:19:48 >>Larry Fiesel: WE'RE LOOKING AT $40,000.
11:19:50 I THINK YOU CAN FIND A NUMBER BETWEEN THOSE TWO.

11:19:55 >>Robert Eschenfelder: YEAH, I'M CONFIDENT THAT WE'LL BE
11:19:58 ABLE TO COME IN BETWEEN THERE.
11:20:00 >>Larry Fiesel: I WOULD BE IN FAVOR OF NEGOTIATING ON THE
11:20:02 $40,000 THAT'S ON THE TABLE.
11:20:05 >>Mayor McLain: COMING IN AT 110 WOULD BE GREAT.
11:20:09 [LAUGHTER]
11:20:10 >>Robert Eschenfelder: I WILL TRY HARD.
11:20:12 >>Larry Fiesel: I'M GOING FOR 105.
11:20:14 >>Mayor McLain: WE CAN USE THOSE DOLLARS.
11:20:15 I THINK I'M GETTING A CONSENSUS HERE THAT WE WILL GIVE YOU
11:20:20 THE AUTHORITY --
11:20:20 >>Robert Eschenfelder: AS I SAID TO EACH OF YOU IN MY
11:20:23 BRIEFINGS, THIS IS A CASE THAT REALLY DOES NEED TO BE
11:20:25 SETTLED.
11:20:27 >>Mayor McLain: ALL RIGHT.
11:20:28 GOOD.
11:20:28 ANY OTHER?
11:20:29 ANY OTHER COMMENTS, ROB?
11:20:32 >>Robert Eschenfelder: NO.
11:20:33 THANK YOU.
11:20:33 >>Mayor McLain: TURN IT OVER TO OUR MANAGER.
11:20:34 >>Steven Sarkozy: NOTHING ADDITIONAL.
11:20:36 >>Mayor McLain: YOU SPOKE YOUR PIECE.

11:20:38 WE'LL NOW ADJOURN THE REGULAR SESSION AND CONVENE A
11:20:43 WORKSHOP.
11:20:43 WE'RE GOOD.
11:20:48 THE WORKSHOP IS GOING TO RELATE TO ITEM 13A, PUBLIC
11:20:50 RESOURCES ADVISORY GROUP, SHORT FOR PRAG, RATING STRATEGY
11:20:57 AND FINANCIAL POLICY CONSIDERATIONS.
11:20:59 STEVE, WOULD YOU INTRODUCE THIS.
11:21:00 >>Steven Sarkozy: THANK YOU, MAYOR AND MEMBERS OF COUNCIL.
11:21:03 AS WE PREVIOUSLY MENTIONED, WE'RE CONSIDERING HERE SOME TYPE
11:21:09 OF BOND RATING THAT WOULD ALLOW THE VILLAGE AT SOME FUTURE
11:21:14 TIME TO CONSIDER A BOND ISSUE AT A LONGER TERM, MAYBE AS
11:21:19 MUCH AS 20, 30 YEARS.
11:21:21 IF THAT IS A TOOL YOU WOULD LIKE TO EXERCISE.
11:21:27 THIS IS PART OF NAILING DOWN OUR FINANCE AND OPERATING
11:21:34 PROCEDURES SO THAT WE CREATE A LEGACY HERE OF HOW WE DO
11:21:38 BUSINESS.
11:21:38 WE'VE ENGAGED PUBLIC RESOURCE ADVISORY GROUP OUT OF
11:21:48 ST. PETERSBURG AS ONE OF THE EXPERTS IN THE STATE ON
11:21:50 MUNICIPAL FINANCE TO GUIDE US THROUGH THE PROCESS.
11:21:52 WHAT I WOULD LIKE TO DO IS TURN IT OVER TO MICKEY AND HAVE
11:21:56 HIM WALK THROUGH THE PROCESS WITH US.
11:22:00 >> THANKS, STEVE.
11:22:01 MY NAME IS MICKEY JOHNSTON.
11:22:03 SENIOR MANAGING DIRECTOR WITH PUBLIC RESOURCE ADVISORY

11:22:07 GROUP, PRAG FOR SHORT.

11:22:08 WE ARE INDEPENDENT FINANCIAL ADVISORS, AND WE'RE
11:22:11 HEADQUARTERED IN NEW YORK CITY.
11:22:13 I WORK OUT OF PRAG ST. PETE OFFICE.
11:22:15 WE HAVE WORKED WITH THE VILLAGE BEFORE.
11:22:17 IT'S BEEN ABOUT 5.5 YEARS OR SO SINCE THE VILLAGE ISSUED ITS
11:22:23 $20 MILLION BANK LOAN WHICH WE ADVISE YOU ON.
11:22:26 I WAS HERE WITH MY COLLEAGUE, YOU MAY REMEMBER MARIANNE
11:22:28 EDMONDS WAS HERE WITH ME.
11:22:31 WE'RE BACK NOW TO HELP THE VILLAGE DEVELOP AND IMPLEMENT THE
11:22:36 FINANCING PLAN TO SUPPORT YOUR CAPITAL IMPROVEMENT PROGRAM.
11:22:40 TODAY'S PRESENTATION IS GOING TO TOUCH ON THE USE OF BONDS
11:22:43 AS A FUNDING SOURCE FOR YOUR CIP.
11:22:46 IT'S ALSO GOING TO TALK ABOUT RATING AGENCY CRITERIA AND HOW
11:22:49 THE FINANCIAL POLICIES DISCUSSED TODAY FIT INTO THAT
11:22:52 EQUATION.
11:22:53 AND THEN WE'RE GOING TO FINISH UP WITH POSSIBLE NEXT STEPS.
11:22:57 GOING INTO THE C.I.P., THERE ARE A VARIETY OF FUNDING
11:23:04 SOURCES THAT A LOCAL GOVERNMENT CAN USE TO PAY FOR THEIR
11:23:08 CAPITAL IMPROVEMENTS.
11:23:11 CASH.
11:23:11 YOU HAVE SOME OTHER STATE OR FEDERAL SOURCES POTENTIALLY.
11:23:16 DEBT PROCEEDS IS ANOTHER AREA WHERE YOU CAN FUND YOUR CIP.
11:23:21 AND AS THE CIP HAS GROWN BEYOND YOUR CASH POSITION, WE THINK
11:23:26 THAT BONDS MAY BE A VIABLE SOURCE TO FUND A PORTION OF YOUR
11:23:30 C.I.P.

11:23:30 IN TODAY'S MARKET, BONDS ARE MORE ATTRACTIVE THAN BANK LOANS
11:23:34 FROM AN INTEREST RATE PERSPECTIVE, DEPENDING ON THE SIZE OF
11:23:37 THE FINANCING, AND THEY ALSO PROVIDE A LITTLE MORE
11:23:40 FLEXIBILITY IN TERMS OF DURATION.
11:23:43 SO WITH THE FOCUS ON BONDS, ONE IMPORTANT PART OF THE
11:23:45 PROCESS AND IT'S BEEN ALLUDED TO EARLIER TODAY, IS THE BOND
11:23:48 RATING PROCESS.
11:23:50 BOND RATING STRATEGIES IS IMPORTANT BECAUSE RATINGS, THEY
11:23:54 HAVE A DIRECT IMPACT ON THE COST OF BORROWING, AND THEY
11:23:57 COULD HELP REDUCE YOUR BORROWING COSTS.
11:23:59 SO THE VILLAGE IS IN A UNIQUE POSITION BECAUSE YOU'VE NEVER
11:24:07 ISSUED BONDS, SO YOU'VE NEVER GONE OUT FOR A BOND RATING.
11:24:11 A KEY PART OF OUR ROLE AS YOUR FINANCIAL ADVISOR IS TO
11:24:14 MANAGE THE RATING PROCESS.
11:24:16 IN FACT, MY COLLEAGUE, WENDELL GAERTNER WAS SET TO BE HERE
11:24:19 TODAY, BUT HE HAS RATING AGENCY PRESENTATIONS ALL DAY, SO
11:24:23 IT'S SOMETHING THAT WE ARE REALLY LASERED IN ON.
11:24:26 MOST MUNICIPAL BONDS ARE RATED WITH INVESTMENT GRADE RATINGS
11:24:33 PROVIDED BY A RATING AGENCY.
11:24:34 YOU CAN SEE HERE WE HAVE S & P, MOODY'S AND FITCH ON THE

11:24:39 BOARD.
11:24:39 RATINGS ARE BASED ON SECURITY PLEDGE FOR PAYMENT OF DEBT
11:24:42 SERVICE ON A BOND.
11:24:43 THE HIGHER RATING INDICATES THE GREATER CREDITWORTHINESS.
11:24:47 KIND OF LIKE GETTING A PERSONAL CREDIT SCORE AND ALSO THE

11:24:51 LOWER LIKELIHOOD OF A PAYMENT DEFAULT ON THE BOND.
11:24:55 BECAUSE BETTER RATINGS TRANSLATE TO LOWER INTEREST COSTS,
11:25:02 RATING STRATEGY IS JUST VERY CRITICAL TO THE BOND ISSUANCE
11:25:05 PROCESS.
11:25:07 HERE WE LIST THE HIGHEST RATED FLORIDA MUNICIPALITIES.
11:25:13 YOU COULD SEE THAT S&P COVERS A GOOD PORTION OF THEM.
11:25:18 BOCA IS THE ONLY ISSUER WITH THE COVETED TRIPLE-TRIPLE-A
11:25:22 RATING, WHERE THEY HAVE A TRIPLE-A FROM S&P, MOODY'S AND
11:25:26 FITCH.
11:25:26 WE HAVE ASSISTED TAMPA, PALMETTO BAY, AND MOST RECENTLY THE
11:25:32 VILLAGE OF PINECREST THROUGH THE RATING PROCESS.
11:25:35 NOW THAT YOU SEE THE STRONGEST RATINGS, I WOULD LIKE TO JUMP
11:25:38 INTO THE METHODOLOGY BEHIND ACHIEVING STRONG RATINGS.
11:25:41 GIVEN THAT S&P COVERS MANY MORE TRIPLE A RATED CITIES, WE
11:25:50 THINK IT MAKES SENSE TO FOCUS ON S&P WHEN CONSIDERING THE
11:25:53 VILLAGE'S POTENTIAL BOND RATING.
11:25:55 S&P PROVIDES A FAIRLY TRANSPARENT METHODOLOGY IN HOW IT
11:26:00 ASSIGNS RATINGS, AND THEY RECENTLY ISSUED AN UPDATE TO THEIR
11:26:03 SCORING SYSTEM, WHICH IS EXPECTED TO BE FINALIZED BY THE
11:26:06 MIDDLE OF THE YEAR.
11:26:07 SO I'M GOING TO WALK US THROUGH THIS FRAMEWORK SO YOU CAN
11:26:10 GET AN IDEA OF WHERE THE VILLAGE CURRENTLY STANDS.
11:26:15 HOW DOES S&P ASSIGN A RATING?
11:26:19 USING THEIR UPDATED METHODOLOGY, THE FIRST THING THEY ARE
11:26:24 GOING TO DO IS SCORE YOUR INSTITUTIONAL FRAMEWORK.

11:26:27 A LOCAL GOVERNMENT'S INSTITUTIONAL FRAMEWORK, WHICH IS A
11:26:29 VERY QUALITATIVE SCORING.
11:26:31 AND THEN THEY ARE GOING TO ADD THAT TO YOUR INDIVIDUAL
11:26:34 CREDIT PROFILE SCORE.
11:26:35 BOTH ARE GOING TO BE SCORED ON A SCALE OF ONE TO SIX.
11:26:38 COMBINED, THEY COME UP WITH AN ANCHOR SCORE.
11:26:41 AND THE STRONGEST ANCHOR WOULD BE A 1.1.
11:26:44 AGAIN, THEY ARE GOING TO BE COMBINING THAT INSTITUTIONAL
11:26:46 FRAMEWORK SCORE WITH YOUR ICP, INDIVIDUAL CREDIT PROFILE.
11:26:51 I PUT THE GRID HERE WHERE YOU SEE THE INSTITUTIONAL
11:26:55 FRAMEWORK KIND OF OFF TO THE LEFT THERE, AND THEN THE
11:26:57 INDIVIDUAL CREDIT PROFILE ALONG THE TOP.
11:27:00 AND YOU CAN SEE I TARGETED AN AREA OF SOME OF THE HIGHEST
11:27:04 RATINGS.
11:27:04 YOU CAN SEE THE TRIPLE As ARE THERE AND ALSO A DOUBLE A
11:27:08 PLUS IN THAT BOX.

11:27:09 AFTER THEY GET TO THE ANCHOR POSITION, S&P IS GOING TO BE
11:27:15 POTENTIALLY USING SOME MODIFIERS, ACCORDING TO THEIR
11:27:17 CRITERIA, BASED ON OUR INITIAL READ, IT WOULDN'T BE ANY
11:27:22 APPLICABLE TO THE VILLAGE TO MODIFY THE SCORE.
11:27:24 BUT THEN S&P USES HOLISTIC ANALYSIS AFTER THAT TO COME UP
11:27:28 WITH THE ULTIMATE RATING.
11:27:30 THEY ARE GOING TO BE MORE FORWARD LOOKING.
11:27:32 THEY ARE ALSO GOING TO BE LOOKING PEER TO PEER AT OTHER
11:27:35 MUNICIPALITIES AND HOW YOU STACK UP TO THEM.

11:27:37 GOING ON TO THE ICP, WHICH, AGAIN, INSTITUTIONAL FRAMEWORK
11:27:46 PLUS ICP DEVELOPS THAT ANCHOR SCORE.
11:27:50 THE ICP IS MADE UP OF FIVE EQUALLY WEIGHTED FACTORS.
11:27:54 YOU HAVE THE ECONOMY, FINANCIAL PERFORMANCE, RESERVES AND
11:27:57 LIQUIDITY, MANAGEMENT, AND DEBT AND LIABILITIES.
11:28:01 WE'LL DIVE INTO EACH ONE OF THESE IN A FEW SLIDES.
11:28:04 WITH THE CLEAR UNDERSTANDING OF THE CRITERIA, WE COULD
11:28:07 IDENTIFY WHICH RATING FACTORS HERE ARE LARGELY IN YOUR
11:28:11 CONTROL AND LARGELY OUT OF YOUR CONTROL.
11:28:14 ON THIS SHEET HERE, WE NOTE THE INSTITUTIONAL FRAMEWORK
11:28:18 SCORE.
11:28:18 AGAIN, THAT IS THE FIRST PART OF THE ASSESSMENT THAT THEY
11:28:20 ARE GOING TO DO.
11:28:22 IT WAS ALONG THE LEFT AXIS.
11:28:24 IT STANDS APART FROM THAT ICP SCORE.
11:28:27 AGAIN, IT'S MOSTLY QUALITATIVE.
11:28:28 IT'S A SET OF FORMAL RULES AND LAWS THAT SHAPE THE
11:28:34 ENVIRONMENT IN WHICH A GOVERNMENT OPERATES.
11:28:36 AND LOCAL GOVERNMENTS THAT SCORE A ONE IN THIS CATEGORY ARE
11:28:39 USUALLY IN STATES THAT ALLOW SIGNIFICANT REVENUE RAISING
11:28:42 ABILITY AND FLEXIBILITY WITHOUT VOTER AUTHORIZATION.
11:28:45 WHEREAS, IN FLORIDA, THERE ARE CERTAIN RULES IN PLACE THAT
11:28:50 KIND OF HINDER YOU A BIT IN HOW YOU COULD GENERATE SOME
11:28:54 REVENUES.
11:28:55 THERE ARE VOTER REFERENDUMS REQUIRED FOR CERTAIN SALES TAXES

11:28:58 AND SO ON.
11:28:59 SO HISTORICALLY S&P AS SCORED FLORIDA MUNICIPALITIES THE
11:29:04 SIZE OF ESTERO AS A TWO HERE.
11:29:07 IF YOU REMEMBER, A ONE WOULD BE THE STRONGEST SCORE ON THE
11:29:11 SCORECARD.
11:29:12 AGAIN, SOMETHING THAT IS COMPLETELY OUT OF YOUR CONTROL, NOT
11:29:15 A WHOLE LOT YOU CAN DO ABOUT THAT.
11:29:16 ON THEIR ECONOMY ASSESSMENT, THIS IS GOING INTO NOW YOUR
11:29:22 ICP, THE INDIVIDUAL CREDIT PROFILE, WHERE WE HAVE THE FIVE
11:29:25 EQUALLY RATED FACTORS.
11:29:27 AGAIN, NOT A WHOLE LOT OF CONTROL HERE FOR THE VILLAGE.
11:29:31 THEY ARE GOING TO BE USING COUNTY-LEVEL ECONOMIC STATISTICS

11:29:35 TO COME UP WITH THE INITIAL SCORE.
11:29:37 BASED ON WHERE YOU SIT RIGHT NOW IN TERMS OF COUNTY GDP AND
11:29:42 COUNTY PERSONAL INCOME, YOUR INITIAL ASSESSMENT WOULD BE
11:29:47 AROUND A 3 HERE IF YOU AVERAGE THE TWO BOXES UP THERE ON THE
11:29:50 SHEET.
11:29:51 HOWEVER, THEY ARE GOING TO TAKE INTO ACCOUNT YOUR LOCAL
11:29:55 ECONOMIC PROFILE.
11:29:56 SO IT IS EXPECTED THAT YOU WOULD GET A TWO-POINT ADJUSTMENT
11:29:59 HERE.
11:30:01 IT'S NOT GUARANTEED, BUT IT IS EXPECTED BASED ON THE VILLAGE
11:30:04 OF ESTERO'S PERSONAL INCOME LEVELS COMPARED TO THE COUNTRY
11:30:07 AND ALSO TO THE COUNTY.
11:30:08 AND FOR ANOTHER FACTOR THAT YOU DON'T HAVE A TON OF CONTROL

11:30:08 OVER IN THE SHORT-TERM IS THE FINANCIAL PERFORMANCE AREA.
11:30:23 S&P IS GOING TO BE LOOKING AT THIS OVER A THREE-YEAR
11:30:25 AVERAGE.
11:30:26 THEY ARE LOOKING AT YOUR OPERATING RESULTS.
11:30:31 THE VILLAGE HAS EXPERIENCE, VERY STRONG FINANCES OVER THE
11:30:34 PAST THREE YEARS.
11:30:36 SO WE DO THINK THAT DESPITE THE LACK OF CONTROL HERE, YOU
11:30:39 ARE GOING TO SCORE PRETTY WELL IN THIS CATEGORY.
11:30:42 LET'S GET INTO THE CONTROLLABLE RATING FACTORS.
11:30:52 WHAT ARE THE ONES THAT YOU DO HAVE AN INFLUENCE ON?
11:30:54 THE MANAGEMENT IN GENERAL, A LOCAL GOVERNMENT CAN ESTABLISH
11:31:01 STRONG POLICIES AND PROCEDURES, RESERVES IN LIQUIDITY.
11:31:03 YOU CAN ESTABLISH A STRONG FUND BALANCE POLICY, WHICH WAS
11:31:07 INTRODUCED TODAY, AND KEEP STRONG RESERVE LEVELS.
11:31:10 IT'S ANOTHER FACTOR.
11:31:11 DEBT AND LIABILITIES.
11:31:12 YOU CAN ESTABLISH A DEBT MANAGEMENT POLICY AND MAINTAIN
11:31:15 MANAGEABLE DEBT LEVELS.
11:31:17 SO I THINK THE STEPS THAT ARE TAKEN TODAY TO REFINE YOUR
11:31:21 POLICIES AND PROCEDURES, I THINK THEY ARE GOING TO BE LOOKED
11:31:23 AT IN A POSITIVE LIGHT BY THE RATING AGENCIES.
11:31:26 GOING INTO MANAGEMENT, S&P INITIAL ASSESSMENT HERE WOULD
11:31:33 FOCUS ON THREE AREAS, BUDGETING, DOES THE VILLAGE USE
11:31:36 FORWARD-LOOKING AND REALISTIC ASSUMPTIONS?
11:31:38 LONG TERM PLANNING, DOES THE VILLAGE MAINTAIN MULTIYEAR

11:31:41 OPERATING AND CAPITAL PROJECTIONS?
11:31:43 AND THEN POLICIES.
11:31:45 DOES THE VILLAGE MAINTAIN WELL-DEFINED INVESTMENT, DEBT
11:31:47 MANAGEMENT AND RESERVE POLICIES.
11:31:50 I THINK WITHOUT THESE POLICIES AND PROCEDURES IN PLACE, A
11:31:52 LOCAL GOVERNMENT WOULD HAVE TROUBLE SCORING A ONE IN THIS
11:31:56 CATEGORY.
11:31:56 SO, AGAIN, I THINK THE REFINEMENT AND THE MEMORIALIZATION OF

11:32:00 THE FORMAL POLICIES IS GOING TO BE VERY HELPFUL AS RATING
11:32:04 AGENCIES REVIEW YOUR CREDIT.
11:32:06 I'LL STOP THERE.
11:32:12 ANY QUESTIONS?
11:32:12 I DON'T WANT TO PUT EVERYBODY TO SLEEP.
11:32:16 MAYBE JUST STOP THERE AND SEE IF THERE'S ANYTHING.
11:32:19 OTHERWISE I CAN CONTINUE MOVING ON WITH THESE MORE
11:32:22 CONTROLLABLE FACTORS.
11:32:24 >>Mayor McLain: ANY QUESTIONS?
11:32:26 >>George Zalucki: THANK YOU FOR YOUR PRESENTATION.
11:32:28 IT'S SAFE TO SAY THAT EVERYTHING THAT YOU'RE RECOMMENDING IN
11:32:30 THIS PRESENTATION IS WHAT WE'RE TRYING TO ACCOMPLISH AND
11:32:33 WHAT WE'RE DOING.
11:32:34 I FEEL CONFIDENT WE'RE ON THE RIGHT PATH.
11:32:36 SO THANK YOU FOR YOUR ENGAGEMENT TODAY.
11:32:40 >> SURE.
11:32:41 ABSOLUTELY.

11:32:41 I'LL TRY TO MAKE THIS MORE LIVELY MAYBE.
11:32:45 >>Jim Ward: YOU REFERENCED BEFORE A TWO POINT ADJUSTMENT WE
11:32:48 COULD BE ELIGIBLE.
11:32:49 JUST TALK ABOUT THAT FOR A SECOND.
11:32:51 >> SURE.
11:32:51 SO THAT CATEGORY, IT REALLY FOCUSES ON COUNTY LEVEL
11:32:57 ECONOMICS.
11:32:57 AGAIN, OUT OF YOUR CONTROL, REALLY, BUT THEY DO HAVE SOME
11:33:01 MODIFIERS IN SOME OF THESE FACTORS.
11:33:04 ONE OF THOSE MODIFIERS ON THE ECONOMICS IS YOUR LOCAL LEVEL
11:33:08 PROFILE.
11:33:09 YOUR LOCAL ECONOMIC PROFILE.
11:33:10 SO SINCE THE VILLAGE OF ESTERO HAS A STRONGER MEDIAN
11:33:16 HOUSEHOLD INCOME, THE UNITED STATES AND ALSO THE COUNTY, AT
11:33:20 CERTAIN LEVELS, S&P COULD PROVIDE IMPROVEMENTS THERE.
11:33:25 IF WE GO BACK TO THE SLIDE, I CAN SHOW YOU WHAT THOSE LEVELS
11:33:30 ARE, IF I CAN FIND IT.
11:33:35 HERE WE GO.
11:33:36 THE TWO BULLETS CLOSER TO THE BOTTOM THERE, SO THE VILLAGE
11:33:43 MEDIAN HOUSEHOLD INCOME IS 134% AS A PERCENTAGE OF THE
11:33:48 UNITED STATES MEDIAN HOUSEHOLD INCOME.
11:33:50 AND THEN THE VILLAGE'S MEDIAN HOUSEHOLD INCOME IS 145% AS A
11:33:56 PERCENTAGE OF THE COUNTY MEDIAN HOUSEHOLD INCOME.
11:34:01 >>Jim Ward: BUT IF YOU GO BACK TO THE PAGE 6, WHICH IS THE
11:34:05 INDIVIDUAL CREDIT PROFILE, IS THAT WHERE YOU'RE TALKING

11:34:09 ABOUT A TWO POINT ADJUSTMENT ON THAT UPPER?
11:34:12 >> NO.
11:34:12 SO THE FIVE FACTORS ARE GOING TO BE WEIGHTED EQUALLY, 20%,
11:34:16 20%, 20.

11:34:17 SO THAT PARTICULAR CATEGORY WOULD BE 20% AND A COLLECTION,
11:34:21 AN AVERAGE, BASICALLY, A WEIGHTED AVERAGE OF THOSE FIVE
11:34:23 FACTORS WOULD SPIT OUT YOUR ANSWER FOR THE TOP AXIS FOR THE
11:34:31 INDIVIDUAL CREDIT PROFILE.
11:34:32 >>Jim Ward: UNDERSTANDING THE RIGHT TO HAVE TO THE TWO
11:34:34 POINTS TO THAT AXIS.
11:34:37 >> ESSENTIALLY IF YOU GET THE TWO POINT ADJUSTMENT WHICH WE
11:34:38 WOULD HOPE FOR, IT WOULD BRING YOU IN THAT PARTICULAR
11:34:41 CATEGORY, WHICH IS 20% OF THE ICP DOWN TO A ONE.
11:34:45 SO IT WILL KIND OF KEEP YOU IN LINE WITH THAT BOX THERE UP
11:34:49 ON THE SCREEN.
11:34:51 >>Mayor McLain: ANY OTHER QUESTIONS?
11:34:52 NO.
11:34:53 GO AHEAD.
11:34:53 >> WHERE WAS I?
11:34:56 RESERVES AND LIQUIDITY.
11:35:00 THE VILLAGE CURRENTLY HAS A VERY STRONG LEVEL OF AVAILABLE
11:35:03 FUND BALANCE, WELL ABOVE S&P'S 15% THRESHOLD.
11:35:07 YOU CAN SEE ON THE SHEET HERE, 15%, GREATER THAN 15%,
11:35:12 AVAILABLE REVENUES AS A PERCENTAGE OF REVENUES WOULD KEEP
11:35:16 YOU AT A ONE IN THIS SUBFACTOR.

11:35:19 AGAIN, THIS ONE IS ALSO 20% OF THAT ICP.
11:35:22 SO THE VILLAGE FUND BALANCE POLICY, WHICH YOU CAN CONTROL,
11:35:28 IT SETS CERTAIN MINIMUMS TO BE MAINTAINED AND BASED ON A
11:35:32 REVIEW OF THE POLICIES BEING PUT FORWARD, I THINK YOU'LL BE
11:35:34 IN GREAT SHAPE HERE.
11:35:36 STILL, THIS IS REALLY GOING TO COME DOWN WHAT STRATEGIC
11:35:39 DECISIONS ARE MADE TO FUND YOUR LARGE C.I.P.
11:35:43 HOW MUCH CASH IS GOING TO BE USED?
11:35:45 WILL IT BE ENOUGH IN OTHER SOURCES TO STILL ALLOW THE
11:35:48 RESERVES TO BE IN PLACE?
11:35:49 AND THEN GOING INTO THE NEXT SLIDE, IT KIND OF GOES HAND IN
11:35:53 HAND WITH THE LIQUIDITY SLIDE BECAUSE YOUR DEBT IS REALLY
11:35:57 GOING TO DEPEND AGAIN ON HOW YOU DECIDE TO FUND YOUR C.I.P.
11:36:01 THE VILLAGE HAS NO DEBT CURRENTLY.
11:36:03 MAYBE THERE ARE SOME SMALL LEASES PAYABLE, BUT YOU DON'T
11:36:06 HAVE ANY BONDS OUTSTANDING.
11:36:08 YOU DON'T HAVE ANY LOANS OUTSTANDING.
11:36:09 ULTIMATELY, THIS SCORE IS REALLY GOING TO DEPEND ON WHAT YOU
11:36:12 DECIDE TO ISSUE IF YOU DO ISSUE ANY DEBT.
11:36:15 THE PENSIONS I UNDERSTAND THEY ARE VERY LOW HERE IN THE
11:36:19 VILLAGE OF ESTERO.
11:36:21 >>Steven Sarkozy: WE HAVE ZERO PENSION LIABILITY.
11:36:24 >> IT'S VERY LOW.
11:36:24 IT'S ALL THE WAY DOWN TO ZERO.
11:36:26 [LAUGHTER]

11:36:26 SO I THINK YOU'LL DO REALLY WELL IN THE SUBFACTOR THERE FOR
11:36:30 NET PENSION LIABILITY, WHICH IS 25% OF THIS SUBFACTOR.
11:36:35 BUT IT'S GOING TO ALL COME DOWN TO HOW MUCH DEBT YOU ISSUE.
11:36:38 THAT'S GOING TO DECIDE IN YOUR ULTIMATE CREDIT RATING IF YOU
11:36:41 DO DECIDE TO GO OUT FOR A BOND RATING.
11:36:46 SO UNDERSTAND HOW TO MANAGE THESE CONTROLLABLE FACTORS IS
11:36:50 IMPORTANT AS WE MOVE FORWARD TO FINALIZE THE PLAN BECAUSE
11:36:52 YOUR BOND RATING IS GOING TO AGAIN HAVE A DIRECT IMPACT ON
11:36:56 YOUR ULTIMATE BORROWING COSTS.
11:36:58 TO HELP FINALIZE THE PLAN, WE THINK IT MAKES SENSE TO PURSUE
11:37:02 A PRIVATE RATING FROM S&P IN ADVANCE.
11:37:06 THEY OFFER A RATING EVALUATION SERVICE THAT ALLOWS THE
11:37:08 VILLAGE TO REQUEST CONFIDENTIAL RATINGS BASED ON DIFFERENT
11:37:11 FINANCING SCENARIOS.
11:37:12 THE SERVICE WILL GIVE YOU A PRECISE INDICATION OF WHAT YOUR
11:37:17 RATING WILL BE UNDER DIFFERENT SCENARIOS, AND IT WILL HELP
11:37:21 SAFEGUARD YOU FROM OVERBORROWING AS WELL.
11:37:24 THE COST FOR THIS SERVICE IS GOING TO BE SOMEWHERE BETWEEN
11:37:26 20 AND 25 THOUSAND DOLLARS FOR THE BASE SCENARIO.
11:37:29 AND IF YOU WANT ANY ALTERNATIVES, THAT'S GOING TO BE ABOUT
11:37:32 $5,000 OR SO.
11:37:34 FOR ANY ADDITIONAL.
11:37:35 ONE NICE FEATURE THEY HAVE HERE IS IF YOU DO ISSUE ANY DEBT
11:37:39 WITHIN SIX MONTHS AND GET A PUBLIC RATING, THEY WILL GIVE
11:37:42 YOU A CREDIT BETWEEN 10 AND 15 THOUSAND DOLLARS AGAINST YOUR

11:37:46 FEE.
11:37:46 SO THAT'S A GOOD FEATURE HERE BECAUSE THEY ARE GOING TO BE
11:37:50 DOING BASICALLY ALL OF THE WORK TO GIVE YOU THE PRIVATE
11:37:53 RATING.
11:37:53 WHEN IT'S TIME FOR A PUBLIC RATING, THEY ARE HAPPY TO GIVE
11:37:56 YOU A DISCOUNT, BASICALLY.
11:37:58 I THINK THE END GOAL HERE IS TO HAVE A COST-EFFICIENT PLAN,
11:38:04 RIGHT, THAT MAXIMIZES YOUR BOND RATING WITHOUT DEPLETING
11:38:08 YOUR RESERVES.
11:38:09 I THINK THAT THIS SERVICE HERE IS GOING TO HELP DELIVER
11:38:12 THAT.
11:38:13 WE PUT TOGETHER A DRAFT TIMETABLE WITH POTENTIAL NEXT STEPS.
11:38:21 THE RATING EVALUATION SERVICE THAT TAKES ABOUT THREE TO FOUR
11:38:25 WEEKS OR SO, WE WOULD RECOMMEND ENGAGING WITH S&P ONCE YOUR
11:38:31 DRAFT FY '23 AUDIT IS READY.
11:38:34 AND ALSO, OF COURSE, AFTER YOU ADOPT THE POLICIES THAT WERE
11:38:38 INTRODUCED TODAY.
11:38:40 THE FIRST STEP WOULD BE TO PROVIDE THE VILLAGE FINANCING
11:38:43 SCENARIOS TO FUND THE C.I.P. OVER TO S&P.
11:38:46 AND WE WOULD ASSIST STAFF IN PREPARING AN INITIAL PACKAGE
11:38:50 THAT WOULD BE SENT TO THEM.
11:38:52 AND WE WOULD ALSO ASSIST THE VILLAGE STAFF WITH A

11:38:54 PRESENTATION TO THE RATING AGENCY THAT WOULD HIGHLIGHT THE
11:38:57 KEY CREDIT STRENGTHS OF THE VILLAGE.
11:39:00 NEXT STEP, THEY WOULD BRING THEIR ANALYSIS TO THEIR

11:39:04 COMMITTEE WHO ULTIMATELY DECIDE ON THE CONFIDENTIAL RATING.
11:39:08 SO THEN AT THAT POINT, ONCE YOU GET THE CONFIDENTIAL RATING,
11:39:12 I THINK AT THAT POINT WE CAN GO AHEAD AND FINALIZE THE PLAN
11:39:16 AND FINANCE THE C.I.P. AND FIGURE OUT HOW THE PROJECTS WILL
11:39:19 BE FUNDED, WHETHER THROUGH CASH, DEBT MEANS OR IF YOU HAVE
11:39:23 ANY GRANTS.
11:39:24 I KNOW THAT YOU GUYS ARE WORKING VERY HARD ON OBTAINING SOME
11:39:27 GRANTS TO PAY FOR SOME OF THESE PROJECTS.
11:39:29 IF YOU DID DECIDE TO ACCESS THE BOND MARKET, THAT'S ABOUT A
11:39:35 THREE-MONTH PROCESS.
11:39:36 WE WOULD QUARTERBACK THAT PROCESS ON YOUR BEHALF.
11:39:41 WE WOULD COORDINATE DOCUMENTATION WITH THE BOND ATTORNEYS.
11:39:44 WE WOULD HELP NEGOTIATE PRICING AND THEN FACILITATE THE
11:39:47 CLOSING OF THE BONDS.
11:39:47 I THINK WE HAVE COVERED A LOT HERE.
11:39:55 YOU'RE STILL AWAKE.
11:39:55 THAT'S GOOD.
11:39:56 I KNOW YOU MENTIONED THE SLEEPING PILL BEFORE.
11:39:58 I'M HAPPY TO SEE EVERYBODY IS STILL EXCITED TO TALK ABOUT
11:40:01 BONDS AND C.I.P.
11:40:02 IF YOU DO HAVE ANY QUESTIONS, PLEASE LET ME KNOW.
11:40:06 I'M HERE.
11:40:07 HAPPY TO TAKE ANY.
11:40:08 >>Mayor McLain: I'VE GOT A QUESTION.
11:40:10 YOU MAY HAVE COVERED IT.

11:40:11 HOW OFTEN DO YOU HAVE TO REVIEW AND UPDATE THE INFORMATION
11:40:15 IN YOUR APPROVAL OR THE RATING THAT YOU HAVE?
11:40:20 >> ONCE YOU HAVE A RATING, IT IS PRETTY MUCH SET.
11:40:22 THEY WILL HAVE ANNUAL SURVEILLANCE LOOKING AT -- SAY YOU GO
11:40:25 OUT AND DO ISSUE BONDS, THERE WILL BE SURVEILLANCE ON THOSE
11:40:28 BONDS.
11:40:29 IF YOUR FINANCIAL POSITION CHANGES DRASTICALLY, YOU KNOW,
11:40:33 DURING THEIR REVIEW THEY COULD POTENTIALLY MAKE ADJUSTMENTS
11:40:35 TO THE RATING ON THE BONDS.
11:40:37 BUT IT'S IMPORTANT TO GET THE INITIAL BOND RATING RIGHT
11:40:41 BECAUSE THAT'S GOING TO BE DICTATING THE PRICING OF YOUR
11:40:45 BONDS AND YOUR INTEREST RATES.
11:40:47 >>Mayor McLain: THANK YOU.
11:40:49 >>Jim Ward: YOU REFERENCED EARLIER THE BENEFITS OF DOING
11:40:52 BONDS, PARTICULARLY RELATED TO THE RATE AND THE NUMBER OF
11:40:57 YEARS YOU COULD GO OUT.
11:40:59 WHAT ARE THE NEGATIVES VIS-A-VIS BANK LENDING AND BONDS?
11:41:04 >> FOR A BANK LOAN, RIGHT NOW, BANKS ARE ONLY GOING AT 20

11:41:09 YEARS.
11:41:09 IF YOU HAVE AN ASSET THAT'S, SAY, A 30-YEAR ASSET, YOU DON'T
11:41:13 HAVE THE ABILITY TO FINANCE IT OVER THE USEFUL LIFE OF THE
11:41:16 ASSET IF YOU GO WITH A BANK LOAN.
11:41:18 I MENTIONED INTEREST RATES.
11:41:20 BANK LOANS RIGHT NOW, THEY ARE NOT AS EFFICIENT AS BONDS
11:41:24 FROM AN INTEREST RATE PERSPECTIVE.

11:41:25 THE LARGER YOU GET IN THE BOND ISSUE.
11:41:29 I THINK BONDS RIGHT NOW, LOOKING AT THE PROJECT LIST, BONDS
11:41:34 SEEM TO BE A VIABLE SOURCE.
11:41:37 >>Jim Ward: EARLIER THIS YEAR, WE PAID OFF -- LAST YEAR WE
11:41:41 PAID OFF $17 MILLION OF AN EXISTING BANK LOAN WE HAD.
11:41:46 IN A BOND STRUCTURE, WOULD YOU BE ABLE TO DO A RECALLABLE
11:41:51 BOND?
11:41:51 >> YEAH.
11:41:52 >>Jim Ward: WHAT IS THE DIFFERENCE IN RATE STRUCTURE ON A
11:41:55 RECALLABLE VERSUS NON-RECALLABLE?
11:41:59 >> USUALLY BONDS ARE A TEN-YEAR CALL.
11:42:00 IN TEN YEARS, YOU'LL BE ABLE TO REFINANCE -- OR YOU CAN
11:42:03 TOTALLY DEFEASE THE BONDS IF YOU HAVE THE CASH TO PAY IT
11:42:07 OFF.
11:42:08 THAT'S TYPICAL.
11:42:09 THE TIGHTER YOU GET, THE PRICING GETS A LITTLE BIT HARDER.
11:42:14 YOU'RE ABLE TO PAY OFF THAT BANK LOAN BECAUSE THERE IS
11:42:17 FLEXIBILITY IN PLACE BECAUSE -- FROM WHAT I REMEMBER WITH
11:42:21 THE LAND PURCHASE, THERE WAS GOING TO BE SOME POTENTIAL
11:42:23 PRIVATE USE RELATED TO THAT BANK LOAN YOU HAD.
11:42:25 SO THE BANK WAS WILLING TO PROVIDE FULL PAYMENT FLEXIBILITY
11:42:30 FOR YOU TO BE ABLE TO PAY OFF THAT IF YOU ENDED UP SELLING
11:42:34 OFF OR CASH TO PAY IT OFF.
11:42:36 IN TERMS OF BONDS YOU WOULDN'T HAVE THAT OPPORTUNITY FOR
11:42:38 ABOUT TEN YEARS.

11:42:39 >>Jim Ward: IS THERE A DIFFERENCE IN A RATE BETWEEN A
11:42:41 CALLABLE AND NONCALLABLE?
11:42:44 >> OH, YEAH, YEAH.
11:42:45 I THINK THAT THE RULE OF THUMB AGAIN IS A TEN-YEAR CALL.
11:42:50 IF YOU DON'T HAVE A CALL, MAYBE IT'S CHEAPER, BUT THEN YOU
11:42:53 ARE STUCK WITH THE BONDS FOR AS LONG AS THE BONDS GO.
11:42:56 AND YOU DON'T HAVE THAT OPTIONALITY TO REFINANCE AS RATES GO
11:43:00 DOWN IN THE FUTURE.
11:43:01 ALSO, AS YOU GO DOWN IN THE CURVE.
11:43:03 IF IN TEN YEARS, YOUR 30-YEAR BOND, IT REALLY BECOMES A 20
11:43:08 YEAR, IF YOU GO FOR REFUNDING.
11:43:11 TYPICALLY THE SHORTER THE TERM, THE BETTER INTEREST RATES
11:43:13 YOU GET.
11:43:15 >>Jim Ward: ONE LAST QUESTION, PLEASE.

11:43:16 IF YOU WERE GOING OUT WITH A BOND RATING TODAY OF TRIPLE A
11:43:20 VERSUS DOUBLE A, WHAT WOULD BE THE RANGE OF INTEREST RATE
11:43:25 POTENTIAL?
11:43:26 >> SURE.
11:43:26 IT'S HARD TO TELL EXACTLY.
11:43:28 IF WE LOOK AT SOME OF THE INFORMATION WE HAVE AVAILABLE TO
11:43:30 US IT COULD BE SOMEWHERE AROUND 15 BASIS POINTS.
11:43:34 15 BASIS POINTS OR SO, MAYBE 20.
11:43:36 AND THAT'S GOING TO BE CHANGING AS MARKET CONDITIONS EVOLVE.
11:43:40 THAT'S JUST KIND OF A RECENT QUOTE I CAN GIVE YOU THERE.
11:43:45 >>Jim Ward: THANK YOU.

11:43:46 >> YOU'RE WELCOME.
11:43:47 >>Mayor McLain: ANY OTHER QUESTIONS?
11:43:48 THANK YOU.
11:43:50 STEVE, GOOD?
11:43:53 >>Steven Sarkozy: YES.
11:43:54 WE'RE NOT RUSHING TO DO A BOND ISSUE.
11:43:57 IT'S AN OPTION THAT WE HAVE, BUT WE HAVE SOME LONG-TERM
11:44:03 PURCHASES THERE.
11:44:04 THE PROPERTY HAS A GENERATIONAL ASPECT THAT THE PROPERTY
11:44:11 THAT WE PURCHASED WILL BE WITH US FOREVER.
11:44:15 PLUS WE HAVE THE SEPTIC TO SEWER PROGRAM WHERE WE'LL HAVE
11:44:20 RESIDENT PARTICIPATION IN A PORTION OF THAT IN ALL
11:44:23 LIKELIHOOD.
11:44:24 AND THAT WOULD BE OVER PROBABLY A 20-YEAR TERM, SO THAT
11:44:27 LENDS ITSELF TO A BOND.
11:44:29 THAT'S NOT THE ONLY LIMITATION THAT YOU HAVE, BUT YOU COULD
11:44:33 DO OTHER CAPITAL PROJECTS.
11:44:35 BUT IT JUST BECOMES A TOOL IN YOUR TOOLBOX THAT YOU CAN LOOK
11:44:39 AT AT A LATER DATE, INCLUDING, THEN, ALL OF THOSE OTHER
11:44:43 OPTIONS, CASH, BANK LOANS, AND SO FORTH THAT ARE STILL OUT
11:44:49 THERE THAT ARE OPTIONS.
11:44:52 >>Mayor McLain: THANK YOU.
11:44:53 MADAM CLERK, DO WE HAVE ANYONE SIGNED UP TO SPEAK?
11:44:56 >>Carol Sacco: WE DO NOT, MAYOR.
11:44:57 >>Mayor McLain: OKAY.

11:44:58 SO WITH NO ONE SPEAKING, THANK YOU VERY MUCH FOR YOUR
11:45:00 PRESENTATION.
11:45:00 >> THANK YOU FOR HAVING ME.
11:45:02 >>Mayor McLain: YOU KEPT HIM AWAKE.
11:45:04 [LAUGHTER]
11:45:04 WITH THAT, I WILL TAKE A MOTION TO ADJOURN THE MEETING.
11:45:13 COUNCILMAN FIESEL HAS MADE THE MOTION.
11:45:15 I NEED A SECOND.
11:45:15 SECONDED BY COUNCILMAN LOPEZ.
11:45:19 [SOUNDING GAVEL]

11:45:19 MEETING IS OVER.

DISCLAIMER:
THIS FILE REPRESENTS AN UNEDITED VERSION OF REALTIME CAPTIONING WHICH SHOULD NEITHER BE RELIED UPON FOR COMPLETE ACCURACY NOR USED AS A VERBATIM TRANSCRIPT.
ANY PERSON WHO NEEDS A VERBATIM TRANSCRIPT OF THE PROCEEDINGS MAY NEED TO HIRE A COURT REPORTER.

THE VILLAGE OF ESTERO

PROCLAMATION

WHEREAS, *the mission of Estero High School is to provide each member of their diverse student body with the knowledge and skills necessary to succeed in an increasingly complex world; and*

WHEREAS, *Estero High School's vision is "Where students come to learn and leave to succeed"; and*

WHEREAS, *thirty-nine (39) students from Estero High School were presented the Cambridge Outstanding Learners Award; and*

WHEREAS, *the Outstanding Cambridge Learner Awards are a group of awards issued by Cambridge Assessment International Education who recognize exceptional learner achievement in Cambridge examinations around the world; and*

WHEREAS, *Cambridge Assessment International Education qualifications are widely recognized by universities and employers.*

NOW, THEREFORE, *I, Jon McLain, Mayor of the Village of Estero, Lee County, Florida, do hereby offer sincere congratulations to Estero High School and the Thirty-nine (39) students recognized for outstanding performance, as well as wish them every success in the future.*

IN WITNESS THEREOF, *I have hereunto set my hand and caused the seal of the Village of Estero to be affixed, this 6th day of March, 2024.*

Jon McLain, Mayor



THE VILLAGE OF ESTERO

PROCLAMATION

WHEREAS, *Kyra Ritter, is a Senior at Estero High School; and*

WHEREAS, *Kyra Ritter; received Cambridge Outstanding Learner Award with Distinction - 3x A grades or higher on Cambridge International exams in one exam series; and;*

WHEREAS, *Cambridge Assessment International Education prepares students for life, helping them develop an informed curiosity and a lasting passion for learning; and*

WHEREAS, *Cambridge Assessment International Education is a provider of international qualifications, offering examinations and qualifications to 10,000 schools in more than 160 countries.*

NOW, THEREFORE, *I, Jon McLain, Mayor of the Village of Estero, Lee County, Florida, do hereby offer sincere congratulations and best wishes to you,*

Kyra Ritter

For exceeding the standards with hard work and dedication in scholastics.

IN WITNESS THEREOF, *I have hereunto set my hand and caused the seal of the Village of Estero to be affixed, this 6th day of March, 2024.*

Jon McLain, Mayor



THE VILLAGE OF ESTERO

PROCLAMATION

WHEREAS, *Mollie Donaghy, is a Senior at Estero High School; and*

WHEREAS, *Mollie Donaghy; received Cambridge Outstanding Learner Award with Merit - 3x B grades or higher on Cambridge International exams in one exam series; and;*

WHEREAS, *Cambridge Assessment International Education prepares students for life, helping them develop an informed curiosity and a lasting passion for learning; and*

WHEREAS, *Cambridge Assessment International Education is a provider of international qualifications, offering examinations and qualifications to 10,000 schools in more than 160 countries.*

NOW, THEREFORE, *I, Jon McLain, Mayor of the Village of Estero, Lee County, Florida, do hereby offer sincere congratulations and best wishes to you,*

Mollie Donaghy

For exceeding the standards with hard work and dedication in scholastics.

IN WITNESS THEREOF, *I have hereunto set my hand and caused the seal of the Village of Estero to be affixed, this 6th day of March, 2024.*

Jon McLain, Mayor



THE VILLAGE OF ESTERO

PROCLAMATION

WHEREAS, *Hailey Jacob, is a Senior at Estero High School; and*

WHEREAS, *Hailey Jacob; received Cambridge Outstanding Learner Award with Merit - 3x B grades or higher on Cambridge International exams in one exam series; and;*

WHEREAS, *Cambridge Assessment International Education prepares students for life, helping them develop an informed curiosity and a lasting passion for learning; and*

WHEREAS, *Cambridge Assessment International Education is a provider of international qualifications, offering examinations and qualifications to 10,000 schools in more than 160 countries.*

NOW, THEREFORE, *I, Jon McLain, Mayor of the Village of Estero, Lee County, Florida, do hereby offer sincere congratulations and best wishes to you,*

Hailey Jacob

For exceeding the standards with hard work and dedication in scholastics.

IN WITNESS THEREOF, *I have hereunto set my hand and caused the seal of the Village of Estero to be affixed, this 6th day of March, 2024.*

Jon McLain, Mayor



THE VILLAGE OF ESTERO

PROCLAMATION

WHEREAS, *Emily Mcdowell, is a Senior at Estero High School; and*

WHEREAS, *Emily Mcdowell; received Cambridge Outstanding Learner Award with Merit - 3x B grades or higher on Cambridge International exams in one exam series; and;*

WHEREAS, *Cambridge Assessment International Education prepares students for life, helping them develop an informed curiosity and a lasting passion for learning; and*

WHEREAS, *Cambridge Assessment International Education is a provider of international qualifications, offering examinations and qualifications to 10,000 schools in more than 160 countries.*

NOW, THEREFORE, *I, Jon McLain, Mayor of the Village of Estero, Lee County, Florida, do hereby offer sincere congratulations and best wishes to you,*

Emily Mcdowell

For exceeding the standards with hard work and dedication in scholastics.

IN WITNESS THEREOF, *I have hereunto set my hand and caused the seal of the Village of Estero to be affixed, this 6th day of March, 2024.*

Jon McLain, Mayor



THE VILLAGE OF ESTERO

PROCLAMATION

WHEREAS, *Sophie Perkins, is a Senior at Estero High School; and*

WHEREAS, *Sophie Perkins; received Cambridge Outstanding Learner Award with Merit - 3x B grades or higher on Cambridge International exams in one exam series; and;*

WHEREAS, *Cambridge Assessment International Education prepares students for life, helping them develop an informed curiosity and a lasting passion for learning; and*

WHEREAS, *Cambridge Assessment International Education is a provider of international qualifications, offering examinations and qualifications to 10,000 schools in more than 160 countries.*

NOW, THEREFORE, *I, Jon McLain, Mayor of the Village of Estero, Lee County, Florida, do hereby offer sincere congratulations and best wishes to you,*

Sophie Perkins

For exceeding the standards with hard work and dedication in scholastics.

IN WITNESS THEREOF, *I have hereunto set my hand and caused the seal of the Village of Estero to be affixed, this 6th day of March, 2024.*

Jon McLain, Mayor

THE VILLAGE OF ESTERO

PROCLAMATION

WHEREAS, *Madison White, is a Senior at Estero High School; and*

WHEREAS, *Madison White; received Cambridge Outstanding Learner Award with Merit - 3x B grades or higher on Cambridge International exams in one exam series; and;*

WHEREAS, *Cambridge Assessment International Education prepares students for life, helping them develop an informed curiosity and a lasting passion for learning; and*

WHEREAS, *Cambridge Assessment International Education is a provider of international qualifications, offering examinations and qualifications to 10,000 schools in more than 160 countries.*

NOW, THEREFORE, *I, Jon McLain, Mayor of the Village of Estero, Lee County, Florida, do hereby offer sincere congratulations and best wishes to you,*

Madison White

For exceeding the standards with hard work and dedication in scholastics.

IN WITNESS THEREOF, *I have hereunto set my hand and caused the seal of the Village of Estero to be affixed, this 6th day of March, 2024.*

Jon McLain, Mayor



THE VILLAGE OF ESTERO

PROCLAMATION

WHEREAS, *Keira Conrey, is a Junior at Estero High School; and*

WHEREAS, *Keira Conrey; received Cambridge Outstanding Learner Award with Merit - 3x B grades or higher on Cambridge International exams in one exam series; and;*

WHEREAS, *Cambridge Assessment International Education prepares students for life, helping them develop an informed curiosity and a lasting passion for learning; and*

WHEREAS, *Cambridge Assessment International Education is a provider of international qualifications, offering examinations and qualifications to 10,000 schools in more than 160 countries.*

NOW, THEREFORE, *I, Jon McLain, Mayor of the Village of Estero, Lee County, Florida, do hereby offer sincere congratulations and best wishes to you,*

Keira Conrey

For exceeding the standards with hard work and dedication in scholastics.

IN WITNESS THEREOF, *I have hereunto set my hand and caused the seal of the Village of Estero to be affixed, this 6th day of March, 2024.*

Jon McLain, Mayor



THE VILLAGE OF ESTERO

PROCLAMATION

WHEREAS, *Abram Saravia-Lopez, is a Junior at Estero High School; and*

WHEREAS, *Abram Saravia-Lopez; received Cambridge Outstanding Learner Award with Merit - 3x B grades or higher on Cambridge International exams in one exam series; and;*

WHEREAS, *Cambridge Assessment International Education prepares students for life, helping them develop an informed curiosity and a lasting passion for learning; and*

WHEREAS, *Cambridge Assessment International Education is a provider of international qualifications, offering examinations and qualifications to 10,000 schools in more than 160 countries.*

NOW, THEREFORE, *I, Jon McLain, Mayor of the Village of Estero, Lee County, Florida, do hereby offer sincere congratulations and best wishes to you,*

Abram Saravia-Lopez

For exceeding the standards with hard work and dedication in scholastics.

IN WITNESS THEREOF, *I have hereunto set my hand and caused the seal of the Village of Estero to be affixed, this 6th day of March, 2024.*

Jon McLain, Mayor



THE VILLAGE OF ESTERO

PROCLAMATION

WHEREAS, *Alivia Ban, is a Senior at Estero High School; and*

WHEREAS, *Alivia Ban; received Cambridge Outstanding Learner Award with Merit - 3x B grades or higher on Cambridge International exams in one exam series; and;*

WHEREAS, *Cambridge Assessment International Education prepares students for life, helping them develop an informed curiosity and a lasting passion for learning; and*

WHEREAS, *Cambridge Assessment International Education is a provider of international qualifications, offering examinations and qualifications to 10,000 schools in more than 160 countries.*

NOW, THEREFORE, *I, Jon McLain, Mayor of the Village of Estero, Lee County, Florida, do hereby offer sincere congratulations and best wishes to you,*

Alivia Ban

For exceeding the standards with hard work and dedication in scholastics.

IN WITNESS THEREOF, *I have hereunto set my hand and caused the seal of the Village of Estero to be affixed, this 6th day of March, 2024.*

Jon McLain, Mayor



Final Action Agenda/Minutes are supplemented by audio and video recordings of the meetings, as well as transcripts. Video recordings of Village Council meetings from June 8, 2016, forward, as well as agendas, staff reports, resolutions, ordinances, and other documents related to the meetings can be viewed online at https://estero-fl.gov/agendas/ at the corresponding meeting date.

DRAFT MINUTES

VILLAGE COUNCIL REGULAR MEETING

Village of Estero Council Chambers
9401 Corkscrew Palms Circle
Estero, FL 33928

February 21, 2024 9:30 a.m.

1. CALL TO ORDER

INVOCATION

Father Tony Gilborges Our Lady of Light

PLEDGE OF ALLEGIANCE

ROLL CALL
Present: Mayor Jon McLain - District 3, Vice Mayor Joanne Ribble - District 1, Councilmember Larry Fiesel - District 2, Councilmember Lori Fayhee – District 4, Councilmember Rafael Lopez - District 5, Councilmember Jim Ward - District 6, and Councilmember George Zalucki - District 7.

Also present
Village Manager Steve Sarkozy, Village Attorney Robert Eschenfelder, Community Development Director Mary Gibbs, David Willems, Public Works Director, Deputy Village Clerk Tammy Duran, and Village Clerk Carol Sacco.

2. APPROVAL OF AGENDA, ADDITIONS, AND DELETIONS

Motion: Motion to approve agenda.

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Motion by: Vice Mayor Ribble
Seconded by: Councilmember Fayhee

Action: Approved agenda.

Vote: (Roll Call)
Aye: Councilmembers Fiesel, Fayhee, Lopez, Ward, Zalucki, Vice Mayor Ribble, and Mayor McLain.
Nay:
Abstentions:

3. PUBLIC COMMENT ON NON-AGENDA ITEMS
None.

4. CONSENT AGENDA

(a) February 7, 2024 Council Meeting Minutes

Motion: Motion to approve consent agenda.
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Motion by: Councilmember Fiesel
Seconded by: Councilmember Lopez

Action: Approved consent agenda.

Vote: (Roll Call)
Aye: Councilmembers Fiesel, Fayhee, Lopez, Ward, Zalucki, Vice Mayor Ribble, and Mayor McLain.
Nay:
Abstentions:

5. CONSIDERATION OF ITEMS DEFERRED FROM CONSENT AGENDA
None.

6. ACTION ITEMS

(a) Corkscrew Road-River Creek Sidewalk Agreement

Staff Presentation/Comments
Steve Sarkozy, Village Manager
David Willems, Public Works Director

Council Questions or Comments
Councilmembers Fiesel, Zalucki, Vice Mayor Ribble, and Mayor McLain.

Public Comments
None.

Motion: Motion to approve a perpetual sidewalk easement agreement with GL Homes to obtain an easement for the path along the River Creek Community and pay GL Homes $104,994.23 after they build the path using asphalt as the material, approve a $10,000 contingency for additional services that may be required to complete the project, and authorize the Village Manager to sign the sidewalk easement agreement and other additional implementing documents within the scope of the agreement on behalf of the Village of Estero Council.

Motion by: Councilmember Fiesel
Seconded by: Councilmember Ward

Action: Approved a perpetual sidewalk easement agreement with GL Homes to obtain an easement for the path along the River Creek Community and pay GL Homes $104,994.23 after they build the path using asphalt as the material, approve a $10,000 contingency for additional services that may be required to complete the project, and authorize the Village Manager to sign the sidewalk easement agreement and other additional implementing documents within the scope of the agreement on behalf of the Village of Estero Council.

Vote: (Roll Call)
Aye: Councilmembers Fiesel, Fayhee, Lopez, Ward, Zalucki, Vice Mayor Ribble, and Mayor McLain.
Nay:
Abstentions:

7. FIRST READING

(a) First Reading of Ordinance No. 2024-03 regarding code enforcement procedures.

An Ordinance of the Village Council of the Village of Estero, Florida, Amending Article II of Chapter 1 of the Village Code Regarding Code Enforcement; Making Related Findings; and Providing for Severability, Codification and an Effective Date.

Staff Presentation/Comments
Steve Sarkozy, Village Manager
Robert Eschenfelder, Village Attorney

Council Questions or Comments
Councilmembers Zalucki, Ward, Vice Mayor Ribble, and Mayor McLain.

Public Comments
None.

Motion: Motion to pass first reading of Ordinance No. 2024-03 and set second reading for March 6, 2024.

Motion by: Councilmember Lopez
Seconded by: Vice Mayor Ribble

Action: Passed first reading of Ordinance No. 2024-03 and set second reading for March 6, 2024.

Vote: (Roll Call)
Aye: Councilmembers Fiesel, Fayhee, Lopez, Ward, Zalucki, Vice Mayor Ribble, and Mayor McLain.
Nay:
Abstentions:

8. COUNCIL COMMUNICATIONS / FUTURE AGENDA ITEMS

Councilmembers Fayhee, Lopez, Ward, Zalucki, Vice Mayor Ribble, and Mayor McLain.

9. VILLAGE ATTORNEY'S REPORT

None.

10. VILLAGE MANAGER'S REPORT

Steve Sarkozy, Village Manager

Public Comment
Mark Noviski, Bella Terra

Adjourn Regular Session at 10:15 am and Convene Workshop Item 10:15 am.

11. WORKSHOP

(a) Management & Financial Policies

Staff Presentation/Comments
Steve Sarkozy, Village Manager

Council Questions or Comments
Mayor McLain.

Deferred to a later date.

(b) Bonita-Estero Rail-Trail

Staff Presentation/Comments
Steve Sarkozy, Village Manager

Presentation/Information by
Deb Orton, BERT (Lee/Charlottee County Line)

Council Questions or Comments
Councilmembers Ward, Fayhee, and Mayor McLain.

Public Comments
In-Person
Mike Johnson, The Vines
Steve Novosad, The Vines
Jane Ferris, The Vines

eComments
Tom Rubbelke, The Vines
Jesse Arman, Colonial Oaks
Terry Koch, Corkscrew Shores

Julie Melchiore, Cascades
Thomas Parisi, Fountain Lakes
Ingrid Walsh, Fountain Lakes
Paul Keith Scoggins Jr., Estero

12. ADJOURNMENT at 10:50 am

Motion by Councilmember Fiesel and seconded by Councilmember Ward.

ATTEST: VILLAGE OF ESTERO, FLORIDA

By: _____ By: _____

Carol Sacco, CMC, Village Clerk Jon McLain, Mayor

(td/CS)
For an official copy of the signed minutes, please submit a Public Record Request.

AGENDA ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
March 6, 2024

Agenda Item:

Jeff Sommer Stadium Turf Installation Contract

Approve EC 2024-26 in the amount of $1,967,667 for Hellas Construction, Inc. to install artificial turf on The Jeff Sommer Stadium football field.

Approve a $197,000 contingency for additional services that may be required to complete the project.

Authorize the Village Manager to sign the contract and other additional implementing documents within the scope of the contract on behalf of the Village of Estero Council, and to approve and execute any subsequent amendments which do not require an increase in the not to exceed budget (with contingency).

Background:

Village Council Approved a lease agreement and shared use agreement with the School District of Lee County for 52.84 acres of proposed land located next to Estero High School at the January 24, 2024 Council meeting. The property includes all the recreational facilities and vacant property owned by the School District near Estero High School. A location map is attached.

The Village of Estero is required to fund at least $10 million of improvements within the first 5-years of the agreement.

Description:

The proposed first phase of construction on the Estero High School property is to install artificial turf on the Jeff Sommer Stadium football field. A rendering of the proposed design is attached. Construction is proposed to include the following.

- Relocate the long jump runways and pits from the side of the football field to the ends. This will allow the football field to be centered within the track and provide more width for a standard soccer field inside the track.
- Field underdrainage system
- Cushdrain Shock pad to reduce hardness of playing surface

- Matrix Helix synthetic turf
- Football lines and markings
- Soccer corner tick marks
- Ecotherm infill to reduce the temperature of the field surface
- Estero High School logo in center of field
- "Jeff Sommer Stadium" at 25-yard lines
- Goal posts and pads
- Potable water to sidelines
- New time clocks near the playing surface
- Ground-driven turf sweeper/groomer

The contractor will be working to keep the existing concrete high jump areas. However, if site grading and drainage does not work correctly, the high jump area may need to be rebuilt at an estimated cost of $117,176.00. The proposed contract does not include rebuilding the high jump area. Adding this to the contract will require Village Manager approval.

Village Staff is proposing to hire Hellas Construction to install the artificial turf by piggybacking onto an existing Sourcewell contract with Hellas Construction, Inc. for Artificial Turf and Tracks with Installation, Related Equipment, Materials and Supplies. Attached is a copy of the Sourcewell Contract 031622 and the Hellas Pricelist for Sourcewell RFP 031622. Sourcewell is a service cooperative that facilitates competitive public solicitations and contract award processes for entities across the US and Canada. They provide an existing pool of pre-bid solicitations that can be used by governments like the Village of Estero.

Action Requested:

Approve EC 2024-26 in the amount of $1,967,667 for Hellas Construction, Inc. to install artificial turf on The Jeff Sommer Stadium football field.

Approve a $197,000 contingency for additional services that may be required to complete the project.

Authorize the Village Manager to sign the contract and other additional implementing documents within the scope of the contract on behalf of the Village of Estero Council, and to approve and execute any subsequent amendments which do not require an increase in the not to exceed budget (with contingency).

Process and Timeline:

Construction is expected to begin in late April/early May, after the lacrosse and track and field seasons are completed. The project team will be working to complete construction prior to the 2024 high school football season in August.

Financial Impact:

The financial impact of this contract is $2,164,667. This will be funded using the Fiscal Year 2023-2024 Budget for the Estero Community Park Improvements which includes $6,800,000.

Prepared by: David Willems, P.E.

Attachments:

1. Contract EC 2024-26
2. Location Map
3. Jeff Sommer Stadium Turf Rendering
4. Hellas Sourcewell Contract 031622
5. Hellas Pricelist Sourcewell RFP 031622

AGREEMENT BETWEEN OWNER AND CONTRACTOR

This **AGREEMENT** is made as of this **6th_day of March, 2024** (the Effective Date)

BETWEEN the Owner:

Village of Estero
9401 Corkscrew Palms Circle
Suite 101
Estero, FL 33928
(239) 221-5035

and the Contractor:

Hellas Construction, Inc., a Texas corporation
12000 West Parmer Lane
Austin, TX 78613
(512) 250-2910
(512) 250-1960, fax

for the following Project:

Estero High School - Synthetic Turf Field
21900 River Ranch Road, Estero, FL 33928

The Owner and Contractor agree as follows.

ARTICLE 1 THE CONTRACT DOCUMENTS AND SCOPE OF PROJECT

§ 1.1 The Contractor shall complete the Work described in the Contract Documents for the Project. Notwithstanding anything to the contrary, Contractor is not responsible for errors, inconsistencies, or omissions in the drawings or specifications, or other design documents not prepared by Contractor, including its failure to comply with applicable laws, statutes, ordinances, codes, rules or regulations, or requirements of governmental authorities.

§ 1.2 The Contract Documents consist of the following documents:

1. Subsequent written Amendments to this Agreement and approved change orders.
2. This Agreement.
3. Hellas Construction, Inc. proposal dated February 9, 2024, attached hereto as **"Exhibit A"** and incorporated herein by reference and made part of this Agreement to the same extent as if fully set forth herein.
4. Contractor's Cooperative Contract, entitled *Sourcewell Contract 031622-HLC - Artificial Turf and Tracks with Installation, Related Equipment, Materials and Supplies*, incorporated herein by reference and made part of this Agreement to the same extent as if fully set forth herein.

In the event of any inconsistency between the Contract documents, the earlier-listed document shall have precedence over the later-listed document.

§ 1.3 The Contractor shall complete the Work per Hellas Construction, Inc.'s proposal dated February 9, 2024, and attached hereto as **"Exhibit A"** and made part of this Agreement to the same extent as if fully set forth herein.

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 2.1 The Contract Time is the number of calendar days available to the Contractor to substantially complete the Work.

§ 2.2 Date of Commencement:
The date the Work shall commence shall be **April 15, 2024**

§ 2.3 Substantial Completion:
Subject to adjustments of the Contract Time as a result of weather delays or causes beyond Contractor's control, or as provided in the Contract Documents, the Contractor shall achieve Substantial Completion of the entire Work on or before:

August 1, 2024

ARTICLE 3 CONTRACT SUM
§ 3.1 The Contract Sum shall include all items and services necessary for the proper execution and completion of the Work. Subject to additions and deductions in accordance with Article 10, the Contract Sum total value is made up of the following:

ONE MILLION NINE HUNDRED SIXTY-SEVEN THOUSAND SIX HUNDRED SEVENTY-SEVEN UNITED STATES DOLLARS AND NO CENTS ($1,967,677.00)

§ 3.32 Alternates, not included in the Contract Sum
§ 3.2.1 The following alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement:

1. Add alternate to provide and install remove existing high jump pad and replace with 100' x 50' Concrete High Jump Pad. Add to base proposal.
   Add Alternate 1 Amount $117,176.00

ARTICLE 4 PAYMENTS
§ 4.1 Based on Contractor's Applications for Payment, the Owner shall pay the Contractor, in accordance with Article 12, as follows:

§ 4.2 The Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents. **Each payment due to Contractor under this Agreement shall be paid by check, ACH, or wire transfer of funds to Hellas Construction Inc.'s account ending in 3135 from Plains Capital Bank only.** If made by wire transfer, such payments shall be marked so as to refer to this Agreement.

§ 4.3 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

§ 4.4 Provided that an Application for Payment is received by the Owner not later than the 30th day of a month, the Owner shall make payment of the amount certified to the Contractor not later than the 15th day of the following month. If an Application for Payment is received by the Owner after the application date fixed above, payment of the amount certified shall be made by the Owner not later than fifteen (15) days after the Owner receives the Application for Payment.

§ 4.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Owner may require. This schedule of values shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 4.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 4.7 The amount of each progress payment shall first include:
1. That portion of the Contract Sum properly allocable to completed Work; and

2. That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing.

§ 4.8 The amount of each progress payment shall then be reduced by:

1. The aggregate of any amounts previously paid by the Owner;
2. The amount, if any, for Work that remains uncorrected and for which the Owner has previously withheld payment;
3. For Work performed or defects discovered since the last payment application, any amount for which the Owner may withhold payment, or nullify a Certificate of Payment in whole or in part; and
4. Retainage withheld pursuant to Section 4.10.

§ 4.9 Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate below, or in the absence thereof, at the legal rate prevailing at the place of the Project.

§ 4.10 Pursuant to Florida Statutes § 255.078(1), for each progress payment made prior to Substantial Completion of the Work, the Owner may withhold 5% as retainage from the payment otherwise due.

ARTICLE 5 INSURANCE AND BONDS

§ 5.1 The Contractor shall maintain the following types and limits of insurance until the completion of the work, subject to the terms and conditions set forth in this Section 5.1:

§ 5.1.1 Commercial General Liability insurance for the Project, written on an occurrence form, with policy limits of not less than one million dollars each occurrence, two million dollars general aggregate, and two million dollars aggregate for products-completed operations hazard.

§ 5.1.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Contractor, with policy limits of not less than one million dollars per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance, and use of those motor vehicles along with any other statutorily required automobile coverage.

§ 5.1.3 The Contractor may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided that such primary and excess or umbrella insurance policies result in the same or greater coverage as those required under Sections 5.1.1 and 5.1.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 5.1.4 Workers' Compensation at statutory limits.

§ 5.1.5 Employers' Liability with policy limits not less than one million dollars each accident, one million dollars each employee, and one million dollars policy limit.

§ 5.2 The Contractor shall obtain an endorsement to its Commercial General Liability insurance policy to provide coverage for the Contractor's obligations under Section 8.14.

§ 5.3 Prior to commencement of the Work, each party shall provide certificates of insurance showing their respective coverages.

§ 5.4 Unless specifically precluded by the Owner's property insurance policy, the Owner and Contractor waive all rights against (1) each other and any of their subcontractors, suppliers, agents, and employees, each of the other; for damages caused by fire or other causes of loss to the extent those losses are determined by the insured Party's insurer, covered by, and the claims are actually paid by, property insurance or other insurance applicable to the Project, except such rights as they have to the proceeds of such insurance.

§ 5.5 Owner's Insurance

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance and shall provide property insurance to cover the value of the Owner's property. The Contractor is entitled to receive an increase in the Contract Sum equal to the insurance proceeds related to a loss for damage to the Work covered by the Owner's property insurance if the Contractor has previously paid, directly or through its insurer, for the loss or damage.

§ 5.6. Unused

§ 5.7 Performance Bond and Payment Bond
The Contractor shall provide the Owner, and file a copy with the Lee County, Florida, Clerk of Court, a payment and performance bond in favor of the Owner in the form and manner as set forth in Florida Statutes § 255.05. Such payment and performance bond shall be issued by a company lawfully authorized to issue surety bonds in the jurisdiction where the Project is located, as follows:

Type	Sum (%)
Payment Bond	100%
Performance Bond	100%

ARTICLE 6 GENERAL PROVISIONS
§ 6.1 The Contract
This Agreement, inclusive of the Contract Documents, represents the entire and integrated agreement between the Parties and supersedes prior negotiations, representations or agreements, either written or oral. This Agreement may be amended or modified only by a written modification in accordance with Article 10.

§ 6.2 The Work
The term "Work" means the construction and services required by the Contract Documents, and includes all other labor, materials, equipment, and services provided, or to be provided, by the Contractor to fulfill the Contractor's obligations. Contractor's scope of work under this Agreement is stated under Article 1.

§ 6.3 Intent
The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all.

§ 6.4 Electronic Notice
Written notice under this Agreement may be given by one party to the other by email delivery to that other party's representative.

§ 6.5 The Owner's Representative:

Steve Sarkozy, Village Manager
Village of Estero
9401 Corkscrew Palms Circle
Suite 101
Estero, FL 33928
Phone: (239) 221-5035
E-mail: sarkozy@estero-fl.gov

§ 6.7 The Contractor's Representative for Project Management and Change Orders under $50,000:

Designated Project Manager
Hellas Construction, Inc.
12000 West Parmer Lane
Austin, TX 78613

§ 6.7 The Contractor's Representative for Changes Order Overs $50,000, Claims and Disputes:

Frank Petrini, Chief Operating Officer
Hellas Construction, Inc.
12000 West Parmer Lane
Austin, TX 78613
Phone: (512) 250-2910
Fax: (512) 250-1960
E-mail: fpetrini@hellasconstruction.com

With copy to:

Hellas Construction, Inc.
Attn: Hellas In-House Counsel
12000 West Parmer Lane
Austin, TX 78613
E-mail: legal@hellasconstruction.com

ARTICLE 7 OWNER

§ 7.1 Information and Services Required of the Owner

§ 7.1.1 If requested by the Contractor, the Owner shall furnish all necessary surveys and a legal description of the site.

§ 7.1.2 Except for permits that are the responsibility of the Contractor, the Owner shall obtain and pay for other necessary approvals, easements, assessments, and charges.

§ 7.1.3 Prior to commencement of the Work, at the written request of the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. The Contractor shall have no obligation to commence the Work until the Owner provides such evidence.

§ 7.2 Owner's Right to Stop the Work

If the Contractor fails to correct Work which is not in accordance with the Contract Documents, the Owner may direct the Contractor in writing to stop the Work until the correction is made.

§ 7.3 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies, correct such deficiencies.

§ 7.4 Owner's Right to Perform Construction and to Award Separate Contracts

§ 7.4.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project.

§ 7.4.2 The Contractor shall coordinate and cooperate with the Owner's own forces and separate contractors employed by the Owner.

ARTICLE 8 CONTRACTOR

§ 8.1 Review of Contract Documents and Field Conditions by Contractor

§ 8.1.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents.

§ 8.2 Contractor's Construction Schedule

The Contractor, upon request by the Owner, shall prepare and submit a Contractor's construction schedule for the Work.

§ 8.3 Supervision and Construction Procedures
§ 8.3.1 The Contractor shall supervise and direct the Work using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work.

§ 8.4 Labor and Materials
§ 8.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work.

§ 8.4.2 The Contractor may make substitutions with the written consent of the Owner through a Change Order.

§ 8.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§ 8.4.4 Immigration Compliance; E-Verify. Contractor acknowledges that it is responsible for complying with the provisions of the Immigration Reform and Control Act of 1986, U.S.C. § 1324, et seq., and regulations relating thereto. Failure to comply with the above statutory provisions shall be considered a material breach and shall be grounds for immediate termination of this Agreement. The Contractor's employment of unauthorized aliens is a violation of § 274(e) of the Federal Immigration and Employment Act. The Contractor shall utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired during the term of this Agreement, and shall require the same verification procedure of any Subcontractors authorized by the Owner.

Pursuant to Florida Statutes § 448.095(5), Contractor shall register with and use the E-Verify system to verify the work authorization status of all newly hired employees. Contractor's contract with Owner cannot be renewed unless, at the time of renewal, Contractor certifies in writing to the Owner that it has registered with and uses the E-Verify system. If Contractor enters into a contract with a subcontractor to perform Services under this Agreement, the subcontractor must provide the Contractor with an affidavit stating that the subcontractor does not employ, contract with, or subcontract with an unauthorized alien and Contractor shall maintain a copy of such affidavit for the duration of the contract. If Contractor develops a good faith belief that any subcontractor with which it is contracting has knowingly violated Florida Statutes § 448.09(1) (making it unlawful for any person knowingly to employ, hire, recruit, or refer, either for herself or himself or on behalf of another, for private or public employment within the state, an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States) Contractor shall terminate the contract with the subcontractor. If the Owner develops a good faith belief that Contractor has knowingly violated Florida Statutes § 448.09(1) (making it unlawful for any person knowingly to employ, hire, recruit, or refer, either for herself or himself or on behalf of another, for private or public employment within the state, an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States) the Owner shall terminate this contract. Pursuant to Florida Statutes § 448.095(5)(c)(3), termination under the above-circumstances is not a breach of contract and may not be considered as such.

§ 8.5 Price Escalation – Materials and Supplies
In entering into this contract, the Owner and the Contractor acknowledge that supply and material prices are subject to escalation at any time after the execution of this Contract due to, without limitation, natural disasters, war, terrorism, domestic (both regional and national) and international market supply, demand or pressure, or other causes beyond the control of contractor. The parties to this Contract anticipate such escalations due to recent events affecting materials markets and anticipate that future events may cause further escalation; however, neither party can anticipate the magnitude of such escalation or the materials that may be affected. The Contractor agrees to use reasonable efforts to obtain materials at the most competitive available prices and in such time so as to avoid delay to the Work. The parties have further agreed that the Contractor shall be responsible for all the costs resulting from the escalation. The parties agree that the Contract Price shall be adjusted by Change Order to compensate the Contractor for the escalated price of such materials. The Contractor shall provide satisfactory documentation to the Owner and the Architect or Engineer, if one is so designated by the Contract Documents, to establish and demonstrate the difference between the Contractor's actual cost of any given material subject to escalation and the cost originally estimated by the Contractor. Prior to incurring additional costs for any material for

which Contractor will seek a Change Order under this paragraph, the Contractor shall provide written notice to the Owner and the Architect or Engineer, if there is one. Should any material or supply become commercially unavailable, the Contractor shall be entitled to an adjustment to the construction schedule through an extension of the Contract Time for the delay caused directly or indirectly by such commercial unavailability, unless the Owner and the Architect or Engineer promptly direct the use of an alternate material that is commercially available. The Contract Price shall be either increased or decreased by Change Order for the difference in price between the commercially unavailable material and the alternate material directed by the Owner and the Architect or Engineer if there is one.

§ 8.6 Warranty
Contractor warrants that the Work shall be executed in a good and workmanlike manner and in accordance with the Contract Documents. Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. Contractor is not responsible for any damage to finished components, systems, or other project elements caused by external forces beyond Contractor control or beyond design parameters not prepared by Contractor. If, prior to Substantial Completion and within one year after the date of Substantial Completion of the Work, any portion of the Work is found to be not in conformance with the Contract Documents, Owner shall promptly notify Contractor in writing. Unless Owner provides written acceptance of the condition, Contractor shall promptly correct the issue at its own cost and time and bear the expense of additional services required for such correction, provided that such work is covered by Contractor's warranty. Owner waives all claims and rights of recovery under Contractor's warranties, which are Owner's exclusive remedies, if Owner fails to furnish written notice to Contractor within the warranty period. ALL OTHER WARRANTIES ARE DISCLAIMED INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, OR OTHERWISE. Any material or equipment warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 12.4.2.

§ 8.7 Taxes
The contract sum is exclusive of any taxes including but not limited to sales, consumer, use, and similar taxes assessed by any governmental entity arising as a result of the performance of the work under this agreement. Any such taxes required shall be paid to Contractor by the Owner in addition to the contract sum herein. As authorized by Florida Statutes § 212.08(6), Florida Administrative Code § 12A-1.094, and Florida Department of Revenue Tax Information Publication 13A01-01, the Owner reserves the right to require the Contractor to assign some or all of its subcontracts or other agreements with material suppliers directly to the Village. This process will be referred to as Owner Direct Purchases (ODP) and is a method that may be utilized to create savings for the Owner. The Owner saves the amount of the sales tax when it purchases material/equipment required for a construction project directly from the manufacturer/supplier (material/equipment cost only), and simultaneously decreases the amount of the contract for the cost of the materials/equipment plus the sales tax. If the Owner elects to invoke this process, the contract cost reduction will be accomplished through the issuance of a deductive change order.

§ 8.8 Prevailing Wages
Contractor is required by law to pay prevailing wages unless the project is not subject to prevailing wages as confirmed by the Owner. If after execution of this Agreement, prevailing wages are found to be required and were not included in the contract sum per Owner's instructions, these shall be paid to Contractor by the Owner in addition to the contract sum herein, as well as any fees and/or penalties assessed by the State for non-compliance of this requirement. The contract sum shall be adjusted by change order accordingly.

§ 8.9 Permits, Fees and Notices
§ 8.9.1 The Contractor shall obtain the building permit and other permits and governmental fees, licenses, and inspections necessary for proper execution and completion of the Work at Owner's expense.

§ 8.10 Submittals
The Contractor shall promptly review, approve in writing, and submit to the Owner shop drawings, product data, samples, and similar submittals required by the Contract Documents. Shop drawings, product data, samples, and similar submittals are not Contract Documents.

§ 8.11 Use of Site
The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits, the Contract Documents, and the Owner.

§ 8.12 Cutting and Patching
The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly.

§ 8.13 Cleaning Up
The Contractor shall keep the premises and surrounding area free from accumulation of debris and trash related to the Work. At the completion of the Work, the Contractor shall remove its tools, construction equipment, machinery, and surplus material; and shall properly dispose of waste materials.

§ 8.14 INDEMNIFICATION
TO THE FULLEST EXTENT PERMITTED BY LAW, THE CONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE OWNER AND OWNER'S TRUSTEES, CONSULTANTS, OFFICERS, OWNER'S AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEYS' FEES, ARISING OUT OF OR RESULTING FROM CONTRACTOR'S OF ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING THE PERFORMANCE OF THE WORK, PROVIDED THAT SUCH CLAIM, DAMAGE, LOSS, OR EXPENSE IS ATTRIBUTABLE TO BODILY INJURY, SICKNESS, DISEASE OR DEATH, OR TO INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY, BUT ONLY TO THE EXTENT CAUSED BY THE WILLFUL OR NEGLIGENT ACTS OR OMISSIONS OF THE CONTRACTOR, A SUBCONTRACTOR, ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM OR ANYONE THEY CONTROL OR EXERCISE CONTROL OVER, OR ANYONE WHOSE ACTS THEY MAY BE LIABLE, REGARDLESS OF WHETHER OR NOT SUCH CLAIM, DAMAGE, LOSS OR EXPENSE IS CAUSED IN PART BY A PARTY INDEMNIFIED HEREUNDER. SUCH OBLIGATIONS SHALL NOT BE CONSTRUED TO NEGATE, ABRIDGE, OR REDUCE OTHER RIGHTS OR OBLIGATIONS OF INDEMNITY THAT WOULD OTHERWISE EXIST AS TO A PARTY OR PERSON DESCRIBED IN THIS SECTION 8.14. ALL COSTS AND EXPENSES SO INCURRED BY ANY OF THE INDEMNIFIED PARTIES IN THAT EVENT SHALL BE REIMBURSED BY CONTRACTOR TO THE INDEMNIFIED PARTIES.

§ 8.14.1 IN ADDITION TO THE FOREGOING, TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE OWNER AND OWNER'S TRUSTEES, CONSULTANTS, OFFICERS, OWNER'S AGENTS AND EMPLOYEES OF ANY OF THEM (THE "INDEMNITEES") FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED ATTORNEYS' FEES, ARISING OUT OF OR RESULTING FROM BODILY INJURY TO, OR SICKNESS, DISEASE OR DEATH OF ANY EMPLOYEE, AGENT OR REPRESENTATIVE OF CONTRACTOR OR ANY OF ITS SUBCONTRACTORS, BUT ONLY TO THE EXTENT CAUSED BY THE WILLFUL OR NEGLIGENT ACTS OR OMISSIONS OF THE CONTRACTOR, A SUBCONTRACTOR, ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM OR ANYONE THEY CONTROL OR EXERCISE CONTROL OVER, OR ANYONE WHOSE ACTS THEY MAY BE LIABLE. THE INDEMNIFICATION OBLIGATIONS UNDER THIS SUBSECTION SHALL NOT BE LIMITED BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE BY OR FOR OWNER UNDER WORKER COMPENSATION ACTS, DISABILITY BENEFITS ACTS OR OTHER EMPLOYMENT BENEFIT ACTS. NOTHING HEREIN SHALL BE INTERPRETED AS A WAIVER BY THE OWNER OF ITS RIGHTS, INCLUDING THE PROCEDURAL REQUIREMENTS AND LIMITED WAIVER OF IMMUNITY, AS SET FORTH IN FLORIDA STATUTES § 768.28, OR ANY OTHER STATUTE, AND THE OWNER EXPRESSLY RESERVES THESE RIGHTS TO THE FULL EXTENT ALLOWED BY LAW.

§ 8.14.2 For claims against any person or entity indemnified under this Section 8.14 by an employee of the Contractor, a subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 8.14.1 shall not be limited.

§ 8.15 Limitation on Damages Owner and Contractor waive any right to recover consequential, special, indirect, incidental, or similar damages arising out of or relating to this Agreement or the Work, regardless of the legal theory under which such damages may be sought.

ARTICLE 9 ARCHITECT – NOT APPLICABLE

ARTICLE 10 CHANGES IN THE WORK

§ 10.1 The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract, consisting of additions, deletions or other revisions, and the Contract Sum and Contract Time shall be adjusted accordingly, in writing. If the Owner and Contractor cannot agree to a change in the Contract Sum, the Owner shall pay the Contractor its actual cost plus reasonable overhead and profit.

§ 10.2 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist, the Contract Sum and Contract Time shall be subject to equitable adjustment.

§ 10.3 Change Orders

§ 10.3.1 A Change Order is a written instrument prepared by the Contractor and signed by the Owner, and the Contractor stating their agreement upon all of the following:

1. The change in the Work;
2. The amount of the adjustment, if any, in the Contract Sum; and
3. The extent of the adjustment, if any, in the Contract Time.

ARTICLE 11 TIME

§ 11.1 Time limits stated in the Contract Documents are of the essence of the Contract.

§ 11.2 If the Contractor is delayed at any time in progress of the Work by changes caused by acts or omissions of Owner or its architect, engineer, consultants, or contractors, changes in the Work or the sequencing of the Work ordered by Owner, decisions of Owner that impact the time of performance of the Work, or encountering hazardous materials, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control, Contractor shall be entitled to an equitable adjustment in the Contract Time. Costs caused by such delays or by improperly timed activities shall be borne by the responsible party.

§ 11.3 Force Majeure

Neither Owner nor Contractor shall be responsible or deemed to be in default of its obligations to the other to the extent any failure to perform or delay in performing its obligations under this Agreement is caused by events or conditions beyond the reasonable control of that party and are not due to the negligence or willful misconduct of such party. For purposes of this Agreement, such events and conditions shall include but are not limited to acts of God or public enemy, war, riot or civil commotion, strikes/labor disputes, epidemic, pandemic (excluding the novel virus otherwise known as coronavirus or "COVID-19", except for instances of impacts related to re-introduced governmental shutdowns following the execution of this Agreement), fire, adverse weather, earthquake, tornado, hurricane, flood, explosion, or other catastrophes, or events or conditions due to governmental law, regulations, ordinances, order of a court of competent jurisdiction, executive decree or order. The party impacted by such event or condition shall provide prompt written notice to the other party, including the date of inception of such event or condition and the extent to which it has or is reasonably expected to affect performance and shall undertake all reasonable efforts to mitigate the impact of such event or condition.

ARTICLE 12 PAYMENTS AND COMPLETION

§ 12.1 Contract Sum

The Contract Sum stated in this Agreement, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 12.2 Applications for Payment

§ 12.2.1 Payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment stored, and protected from damage, off the site at a location agreed upon in writing.

§ 12.2.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an

Application for Payment, all Work for which payments have been received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims, security interests, or other encumbrances adverse to the Owner's interests.

§ 12.3 Progress Payments
§ 12.3.1 The Owner shall make payment in the manner provided in the Contract Documents. Should the Owner find reason to withhold payment or partial payment to the Contractor, Owner shall notify the Contractor within seven days of receipt of the Application for Payment. If notification is not made and Owner fails to submit payment as per the manner provided in the Contract Documents, Contractor may stop the Work until payment of the amount owing has been received. The Contract time and Contract Sum shall be equitably adjusted due to the delay.

§ 12.3.2 The Contractor shall promptly pay each subcontractor and supplier, upon receipt of payment from the Owner, an amount determined in accordance with the terms of the applicable subcontracts and purchase orders.

§ 12.3.3 The Owner shall have NO responsibility for payments to a subcontractor or supplier of the Contractor.

§ 12.3.4 If the Work is stopped under Section 12.3 for a period of (fourteen) calendar 14 days through no fault of the Contractor, the Contractor may, upon seven (7) additional days' written notice to the Owner, terminate the Contract and recover from the Owner payment for Work executed including reasonable overhead and profit, and costs incurred by reason of such termination.

§ 12.3.4 If the Owner disputes any portion of a submitted invoice, or determines any invoice is incomplete, it will follow the procedures set forth in the Florida Local Government Prompt Payment Act located at Part VII of Florida Statutes Chapter 218.

§ 12.4 Substantial Completion
§ 12.4.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended use.

§ 12.4.2 When the Contractor believes that the Work or designated portion thereof is substantially complete, it will notify the Owner who will make an inspection to determine whether the Work is substantially complete. When the Owner determines that the Work is substantially complete, the Owner shall execute a Certificate of Substantial Completion that shall establish the date of Substantial Completion, establish the responsibilities of the Owner and Contractor, and fix the time within which the Contractor shall finish all punch list items, if any, accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 12.4.3 If the Work is occupied or otherwise utilized by Owner, before Substantial Completion of the Work, the Work shall be deemed to be Substantially Complete.

§ 12.5 Final Completion and Final Payment
§ 12.5.1 Upon receipt of a final Application for Payment, the Owner will inspect the Work. When the Owner finds the punch list items complete, if any, the Owner will issue a final payment within fifteen (15) calendar days.

§ 12.5.2 Final payment shall not become due until the Contractor submits to the Owner any releases and waivers of liens, and data establishing payment or satisfaction of obligations, such as receipts, claims, security interests, or encumbrances arising out of the Contract if requested in writing at or before the time of Substantial Completion, otherwise final payment shall be due within fifteen (15) calendar days of Owner's acceptance as per 12.5.1.

§ 12.5.3 Acceptance of final payment by the Contractor, a subcontractor or supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 13 PROTECTION OF PERSONS AND PROPERTY

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs, including all those required by law in connection with performance of the Contract. The Contractor shall take reasonable precautions to prevent damage, injury, or loss to employees on the Work and other persons who may be affected thereby, the Work and materials and equipment to be incorporated therein, and other property at the site or adjacent thereto. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, or by anyone for whose acts the Contractor may be liable.

ARTICLE 14 CORRECTION OF WORK

§ 14.1 The Contractor shall promptly correct deficient Work rejected by the Owner if the Work fails to conform to the requirements of the Contract Documents. The Contractor shall bear the cost of correcting such rejected Work, including the costs of uncovering, replacement, and additional testing.

§ 14.2 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Section 7.3.

ARTICLE 15 MISCELLANEOUS PROVISIONS

§ 15.1 Assignment of Contract

Neither party to the Contract shall assign the Contract as a whole without written consent of the other.

§ 15.2 Tests and Inspections

§ 15.2.1 At the appropriate times, the Contractor shall arrange, and the Owner shall bear cost of tests, inspections, or approvals required by the Contract Documents or by laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities.

§ 15.2.2 If the Owner requires additional testing, the Contractor shall perform those tests at the Owner's expense.

§ 15.2.3 The Owner shall bear cost of tests, inspections, or approvals that do not become requirements until after the Contract is executed. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 15.3 Governing Law; Venue

The Contract shall be governed and construed under the laws of the state in which the Project is located, without regard to conflict of laws provisions. Venue with respect to any litigation between the Parties shall be in the circuit court in and for Lee County, Florida, or, as to federal court, the United States District Court for the Middle District of Florida, Ft. Myers Division.

§ 15.4 Mediation

The Parties shall endeavor to resolve their Claims by mediation which, unless the Parties mutually agree otherwise, shall be in accordance with the terms of this Section. Request for mediation shall be initiated by giving the other party written notice. The Parties agree to discuss in good faith with each other and with the mediator the exchange of relevant information prior to or during mediation if, in any party's view, such an exchange is necessary to engage in meaningful settlement discussions. Unless excused by the mediator, representatives of each party who have authority to resolve the dispute shall attend the mediation sessions. The Parties agree that it, in the mediator's judgment, the attendance of non-signatories to the Agreement is necessary to or desirable in resolving the dispute, the mediator has discretion to request the voluntary attendance of those persons. The Parties further agree that they will use their best efforts to obtain the voluntary attendance at mediation of all such non-signatories with whom they have a relationship or over whom they have influence or control. The initial mediation session will occur via a video conferencing platform at a time mutually agreed on by the Parties in consultation with the mediator, though no later than thirty (30) calendar days from service of the initial notice, unless otherwise agreed by the Parties and the mediator. If the Parties are unable to settle through mediation the matters to be mediated pursuant to this agreement the Parties may by mutual agreement engage in further attempts to settle the dispute by mediation or other non-binding dispute resolution methods. It is the Parties' intention that further mediation efforts be by mutual agreement only, and not by court order. The mediation mandated in this clause shall satisfy the requirements, if any, of court-annexed alternative dispute resolution programs.

The mediation will be deemed to continue, and thus not to have concluded, until: (a) a written settlement agreement is executed by all Parties; or (b) the mediator gives written notice of impasse of the mediation to the Parties; or (c) a party gives written notice of withdrawal. No party may withdraw from the mediation until three (3) business days following the initial mediation session. Thereafter, if the matter has not been resolved, either party may by written notice withdraw from the mediation.

The mediator will be chosen by mutual agreement of the Parties.

The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.5 Binding Dispute Resolution

§ 15.5.1 Any Claim subject to, but not resolved by, mediation pursuant to Section 15.4, the method of dispute resolution shall be litigation in a court of competent jurisdiction in the county where the Project is located under trial proceedings by the court, solely. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO **(A)** CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND **(B)** ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

§ 15.5.2 Unused

§ 15.5.3 Unless either Party timely appeals a Final Judgment rendered by the trial court after trial or ruling on a dispositive motion, the Final Judgment rendered by the court shall be final, and judgment may be executed in accordance with applicable law.

§ 15.5.4 Unused

§ 15.6 Attorneys' Fees

In any civil, administrative, bankruptcy, or other proceeding concerning this Agreement, each Party shall pay all of their own costs, attorneys' fees and expenses, including all costs, fees, and expenses incurred in any administrative hearing, trial, appeal, and mediation, notwithstanding the outcome of those proceedings. Each Party hereby waives any award of attorney fees it might otherwise recover as the prevailing Party in such proceedings.

§ 15.7 Small Unmanned Aircraft (Drones)

§ 15.7.1 The Contractor shall operate any Small Unmanned Aircraft as required by 14 C.F.R. Part 107, as applicable, and in accordance with any other applicable federal or state laws and regulations.

ARTICLE 16 TERMINATION OF THE CONTRACT

§ 16.1 Termination by the Owner for Cause

§ 16.1.1 The Owner may terminate the Contract if the Contractor

1. refuses or fails to supply enough properly skilled workers or proper materials;
2. fails to make payment to subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the subcontractors unless breached by subcontractors;
3. disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
4. otherwise materially breaches a provision of the Contract Documents.

§ 16.1.2 When any of the above reasons exist, the Owner may, after giving the Contractor and the Contractor's surety, if any, seven (7) calendar days' written notice, terminate employment of the Contractor and may

1. take possession of the site and of all materials thereon owned by the Contractor, and
2. finish the Work by whatever reasonable method the Owner may deem expedient.

§ 16.1.3 When the Owner terminates the Contract for one of the reasons stated in Section 16.1.1, the Contractor shall be paid for work completed by the Contractor up until the date of receipt of Owner's termination notice. Notwithstanding the foregoing, Owner shall have a right to determine the amount of final payment to be made to the Contractor. In determining the amount of final payment to Contractor, if any, no amount shall be allowed for anticipated profit on unperformed services or other work; further, an adjustment shall be made to the extent of any actual and direct costs incurred by the Owner due to a termination for cause.

§ 16.1.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, such excess shall be paid to the Contractor. This obligation for payment shall survive termination of the Contract.

§ 16.2 Termination by the Owner for Convenience

§ 16.2.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause under prior written notice to the Contractor.

§ 16.2.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

1. cease operations as directed by the Owner in the notice;
2. take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and,
3. except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate, or cause to be terminated all existing Project agreements, including agreements with the Architect, Consultants, Contractors, Subcontractors, sub-tier vendors/suppliers and purchase orders, and enter into no further Project agreements and purchase orders.

§ 16.2.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination including but not limited to actual and direct costs associated with terminating Project agreements or assigning to the Owner, costs associated with demobilization of Contractor's labor equipment, material and preparation and hand-over of any required documentation required or requested by the Owner.

§ 16.3 Termination by the Contractor

§ 16.3.1 The Contractor may terminate the Contract if the Work is stopped for a period of thirty (30) consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

1. Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
2. An act of government, such as a declaration of national emergency, that requires all Work to be stopped;
3. Because the Owner has not made a payment and has not notified the Contractor of the reason for withholding payment within the time stated in the Contract Documents; or

§ 16.3.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor, repeated suspensions, delays, or interruptions of the entire Work by the Owner, Owner's representatives or other contractors hired by Owner constitute in the aggregate more than one hundred percent (100%) of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 16.3.3 If one of the reasons described in Section 16.3.1 or 16.3.2 exists, the Contractor may, upon seven (7) calendar days' notice to the Owner and/or Architect, terminate the Contract and recover from the Owner payment for Work executed, reasonable overhead and profit on Work not executed, and costs incurred by

reason of such termination to cover such costs including but not limited to demobilization of Contractor's equipment, material and employees and preparation and hand-over of any required documentation required or requested by the Owner.

§ 16.3.4 If the Work is stopped for a period of sixty (60) consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven (7) additional calendar days' notice to the Owner, terminate the Contract and recover from the Owner as provided in Section 16.3.3.

ARTICLE 17 OTHER TERMS AND CONDITIONS

§ 17.1 Joint Drafting

This Agreement was jointly drafted, and Owner and Contractor had opportunity to negotiate terms and to obtain assistance of counsel in reviewing terms prior to execution. This Agreement shall be construed neither against nor in favor of Owner or Contractor Party, but rather shall be construed in a neutral manner.

§ 17.2 No Waiver

Unless otherwise provided in the Agreement, the failure of either party hereto to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any right herein, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right as respects further performance.

§ 17.3 No Third Party Beneficiaries.

Nothing contained herein shall be deemed or construed by the Parties, or by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the Parties, it being understood and agreed that nothing contained herein, nor any acts of the Parties, shall be deemed to create any relationship between the Parties other than the relationship of independent contractors.

§ 17.4 Entire Agreement

The terms and conditions set forth herein constitute and represent the entire and integrated Agreement between the Parties hereto and supersedes all prior contemporaneous negotiations, representations, understandings or agreements, either written or oral. This Agreement shall not be modified except by a written instrument signed by the authorized representatives of Parties.

§ 17.5 Severability

Wherever possible, each provision of this Agreement shall be interpreted in a manner as to be effective and valid under applicable law. If any provision of this Agreement, or portion thereof, is found invalid, only such provision or portion thereof shall be ineffective and no other terms in the remaining provisions of this Agreement or valid portions of such provision shall be affected.

§ 17.6 Amendment

The provisions of the Contract Documents shall not be changed, amended, waived, or otherwise modified in any respect except by a writing signed by both Owner and Contractor ("Modification"). No person is authorized on behalf of Owner or Contractor to orally change, amend, waive, or otherwise modify the terms of the Contract Documents or any of the parties' duties or obligations under or arising out of the Contract Documents. No "constructive" changes shall be allowed.

§ 17.7 CONSENT TO CONTRACTING BY ELECTRONIC MEANS. By entering into and executing this Agreement using electronic signatures, Owner and Contractor consent and intend to, but shall not be required to: (i) conduct this transaction by electronic means and (ii) use electronic signatures and records in connection with this Agreement, other documents issued under this Agreement, and any amendments thereto. Owner and Contractor agree and intend for their respective electronic signatures hereto to be given full legal effect and enforceability for the purposes of any applicable law. The Agreement also may be executed in two or more counterparts, all of which taken together shall constitute one document.

§ 17.8 Public Records Act Compliance. The Contractor shall comply with all applicable requirements contained in the Florida Public Records Law, including but not limited to any applicable provisions in Florida Statutes § 119.0701. Pursuant to that statute, the Contractor shall:

(a) Keep and maintain public records required by the Owner to perform the Services provided hereunder.

(b) Upon request from the Owner's custodian of public records, provide the Owner with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.

(c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed, except as authorized by law for the duration of the term of this Agreement and following completion of this Agreement if the Contractor does not transfer the records to the Owner.

(d) Upon completion of the Agreement, transfer, at no cost, to the Owner all public records in the possession of the Contractor or keep and maintain public records required by the Owner to perform the service. If the Contractor transfers all public records to the Owner upon completion of the Agreement, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Agreement, it shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Owner, upon request from the Owner's custodian of public records, in a format that is compatible with the information technology systems of the Owner.

If the Contractor fails to comply with the requirements in this Section, the Owner may enforce these provisions in accordance with the terms of this Agreement. If the Contractor fails to provide the public records to the Owner within a reasonable time, it may be subject to penalties under Florida Statutes § 119.10.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, THE CONTRACTOR SHOULD CONTACT THE OWNER'S CUSTODIAN OF PUBLIC RECORDS: BY TELEPHONE (239.221.5035), E-MAIL (records@estero-fl.gov), OR MAIL (VILLAGE OF ESTERO, OFFICE OF THE VILLAGE CLERK, 9401 Corkscrew Palms Cir., Estero, FL 33928.

SIGNATURES

This Agreement entered into as of the Effective Date. Photocopy, scanned and/or electronic signatures are legally binding and intended to be given full force and effect in execution of this Agreement.

OWNER:	CONTRACTOR:
VILLAGE OF ESTERO	**HELLAS CONSTRUCTION, INC.**
Steve Sarkozy, Village Manager	*Tyler Pufahl, Chief Estimator*

Exhibit A – Hellas Construction, Inc. Proposal

February 9, 2024

David Willems, P.E.,
Public Works Director,
Office: (239) 221-5035,
Mobile: (239) 284-6608
willems@estero-fl.gov,

RE: Estero High School
Synthetic Turf Field Proposal

The Hellas Group is pleased to provide you with this proposal. Pricing is based on Hellas' current cooperative contract entitled Sourcewell Contract 031622-HLC - Artificial Turf and Tracks with Installation, Related Equipment, Materials and Supplies**.** Through this contract, Hellas' products have been competitively and lawfully bid providing member schools and agencies with quality and preferential pre-priced products and services.

General Conditions
Hellas will:

1. Provide project Insurance, Supervision and Mobilization.
2. Provide construction surveying, layout and staking.
3. Provide performance and payment bonds.
4. Provide, prior to construction, all required submittals.
5. Provide, prior to construction, synthetic turf shop drawings.
6. Provide our standard SWPPP prior to construction commencing.
7. Provide final punch-out and clean-up of the completed project.

BASE PROPOSAL
Existing Conditions or Sitework
Hellas scope of work:

1. Construct one (1) construction entrance.
2. Remove and dispose ex. concrete long jump runway and pad.
3. Remove and dispose of existing goal post.
4. Excavation to subgrade. Excavated materials will be stored on site at the owner's directed location.

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Concrete

Hellas scope of work:

1. *Concrete Runway at North D Zone* – Construct 5" thick concrete runways approx. 1,152 square feet, with #4 rebar with 18" O.C and two 27' x 9' long jump pit.

Concrete Miscellaneous

Hellas scope of work:

1. *Track Radius Monuments* – Construct 2 track radius monuments in concrete.

Field Drainage System

Hellas scope of work:

1. *HDPE Collector Piping* – Provide and install the necessary HDPE piping for the field. Assumes connection point is inside of the existing sod field. If the connection point needs to be outside of the existing sod field, a remediation will be negotiated between owner and Hellas.

Athletic Equipment

Hellas scope of work:

1. Provide and install the following athletic equipment:
    A. 1 – Pair 8' offset, 30' upright Hellas goal posts
    B. 1 – Pair goal post pads

Synthetic Running Track Surface

Hellas scope of work:

1. Provide and install 186 SY of ***epiQ*** Tracks® **Q3000** (***Red*** or ***Black***) 10mm full pour surfacing system on the long jump runways and pole vault runways.
2. Stripe per local requirements. *No lettering, logos, or distance tick marks are included in the proposal amount.*

Utilities

Hellas scope of work:

1. Provide and install 4" electrical conduit with 2 boxes inside field areas.
2. Provide and install Water line at sidelines, connected to line near the field.
3. Install Time Clocks using new columns and owner provided time clocks.

Synthetic Turf Field

Hellas scope of work:

1. *Geotextile Fabric* – Provide and install Mirafi 140 N Geotextile over subgrade, under perimeter collector pipe and attach to nailer.
2. *Nailer* – Provide and install plastic 2" x 4" **EcoNailer™** at new turf D zones.
3. *Composite Flat Drain* – Provide and install 1" x 12" composite flat drain at 30' O.C.
4. *Drainage Stone* – Provide and place 4" permeable base stone and 2" permeable finish stone under turf areas; each course laser graded and compacted to proper planarity and density.
5. *Shock Pad* – Provide and install approximately 107,657 square feet of **19mm CUSHDRAIN®** shock pad.

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6. *Synthetic Turf* - Provide and install approximately 107,657 square feet of **matrix® Helix 46 oz.** 100% Polyethylene Extruded Monofilament synthetic turf system with the noted installation options listed below.
   - Football lines and markings per attached rendering.
   - Soccer tick marks per attached rendering.
   - End Zone colors and letters per attached rendering.
   - Provide and install **ecotherm™** infill
   - One (1) center logo per attached rendering.
   - 'JEFF SOMMER STADIUM' Letters.
   - Supply one (1) tow-behind ground-driven sweeper/groomer.
   - Provide 8-year manufacturer warranty.

After synthetic turf installation is complete, Hellas will provide an operation and maintenance orientation for care of the turf field, and all supplied equipment quoted above.

Base Proposal Price ***$1,967,677.00***

PROPOSAL ALERNATES

1. Add alternate to provide and install remove existing high jump pad and replace with 100' x 50' Concrete High Jump Pad. Add to base proposal.
   Add Alternate 1 Amount $117,176.00

EXCLUSIONS

1. Any item of work not specifically listed above.
2. Any form of subgrade stabilization.
3. Existing drainage system repairs.
4. Construction materials inspection and testing.
5. Poor subgrade soils – Hellas will proof roll subgrade to check for subgrade soil stability. Any failing subgrade remediation will be negotiated between owner and contractor. ***Hellas requires the owner to contract with a Geotechnical Engineer to perform a Geotechnical investigation of the site to determine the nature of the existing subgrade soils and make recommendations for any subgrade stabilization requirements.***
6. Geotechnical Investigation.
7. Rock excavation or haul off.
8. Any embankment or processing of imported soils.
9. Any concrete work outside the scope of this proposal.
10. Any asphalt paving.
11. Any electrical work.
12. Any fence work.

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13. Engineering.
14. Supply or installation of perimeter safety or construction fencing.
15. Site security.
16. Any Allowances or Contingencies.
17. Prevailing or union wages.
18. Any permits or fees, including any utility impact fees generated by construction improvements.
19. Owner shall provide ingress/egress for ALL personnel, equipment and materials; typical construction traffic shall be expected for the duration of this contract. Contractor NOT responsible for damage due to typical construction traffic ingress/egress to the construction site.
20. Owner to supply secure laydown area for Hellas materials.

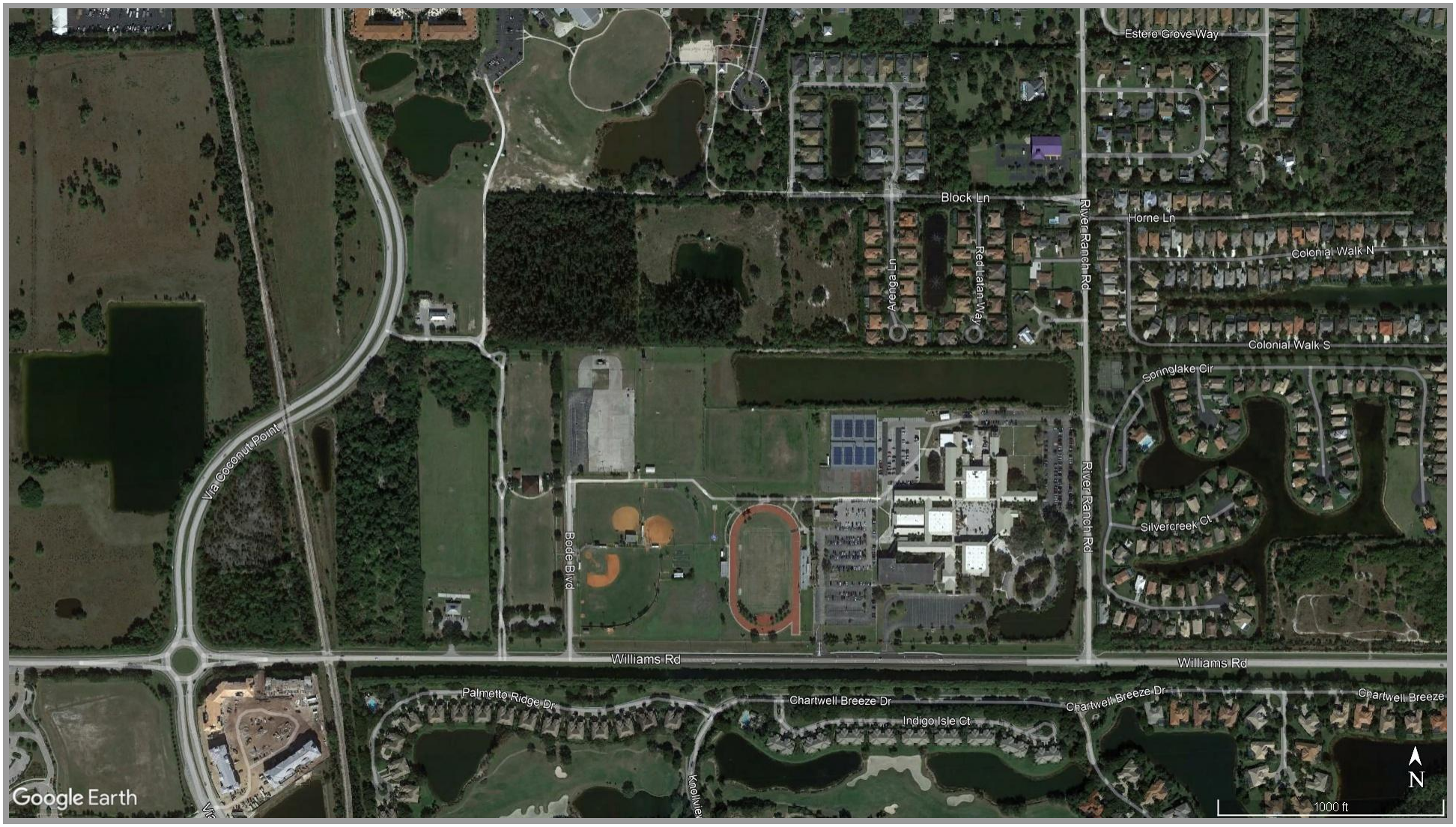
Notwithstanding anything to the contrary in any of the Contract documents, under no circumstances shall the Performance bonds, maintenance bonds or the obligations of the Surety be liable for any warranty obligations that exceed 1 year from the date of substantial completion as defined in the Contract documents.

Hellas Construction, Inc. looks forward to the award of this project, and is eager to work with you.

Pricing valid for 14 days from date of this proposal.

Keny Patel
Chief Estimator
Hellas Construction, Inc.

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Estero Grove Way
Block Ln
Horne Ln
Colonial Walk N
Colonial Walk S
Springlake Cir
Silvercreek Ct
River Ranch Rd
Red Latan Way
Via Coconut Point
Bode Blvd
Williams Rd
Palmetto Ridge Dr
Chartwell Breeze Dr
Indigo Isle Ct
Knollview
Google Earth
N
1000 ft


COLOR RENDERING FOR
CONCEPTUAL PURPOSES ONLY
ESTERO
WILDCATS
Hellas
Hellas Construction, Inc.
12000 West Parmer Lane
Austin, TX 78613
(P) (512) 250-2910
(F) (512) 250-1960
hellasconstruction.com
OWNER:
Village Of Estero
Estero High School
21900 River Ranch Rd, Estero, FL 33928
(239) 947-9400
PROJECT:
SYNTHETIC TURF FOOTBALL FIELD & RUNNING TRACK FIELD EVENTS CONSTRUCTION
PROJECT LOCATION:
ESTERO, FLORIDA
matrixTURF
epiQ TRACKS
COMMENTS:
Drawing scale accurate ONLY when printed on 11x17 paper. For visual purposes only, actual color may vary.
CREATED BY: SDL
All drawings and written material appearing herein constitute original unpublished work, and may not be duplicated, used or disclosed without the written consent of Hellas Construction, Inc.
DATE:
FEBRUARY 14, 2024
REVISION:
REV 2 OPT A
SHEET TITLE:
COLOR RENDERING
SHEET NUMBER:
1
SCALE: 1:50
0
25
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75

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031622-HLC

Solicitation Number: RFP #031622

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Hellas Construction, Inc., 12000 West Parmer Lane, Austin, TX 78613 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Artificial Turf and Tracks with Installation, Related Equipment, Materials, and Supplies from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

B. EXPIRATION DATE AND EXTENSION. This Contract expires May 26, 2026, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.

C. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

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Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be

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returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

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- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell

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contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

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- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased

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by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

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E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
   a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
   b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,

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resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

5. Termination. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

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14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

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The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for Products-Completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

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no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is

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primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

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21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

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C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

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of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation

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and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

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T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell	Hellas Construction, Inc.
DocuSigned by: Jeremy Schwartz C0FD2A139D06489...	DocuSigned by: 08C3BB267390401...
By: _____	By: _____
Jeremy Schwartz	Saulo Hernandez
Title: Chief Procurement Officer	Title: Director of Estimating
Date: 5/23/2022 | 2:17 PM CDT	Date: 5/23/2022 | 5:48 PM PDT

Approved:

DocuSigned by: Chad Coauette 7E42B8F817A64CC...

By: _____

Chad Coauette

Title: Executive Director/CEO

Date: 5/23/2022 | 9:14 PM CDT

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RFP 031622 - Artificial Turf and Tracks with Installation, Related Equipment, Materials, and Supplies

Vendor Details

Company Name:	Hellas Construction, Inc.
Address:	12000 West Parmer Lane Austin, TX 78613
Contact:	Ruth Hawley
Email:	rhawley@hellasconstruction.com
Phone:	512-809-9509
HST#:	270074538

Submission Details

Created On:	Thursday January 27, 2022 08:41:46
Submitted On:	Wednesday March 16, 2022 09:56:29
Submitted By:	Ruth Hawley
Email:	rhawley@hellasconstruction.com
Transaction #:	58215a4f-2d5f-45fe-b332-921dc91b975d
Submitter's IP Address:	47.223.32.125

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Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Hellas Construction, Inc.	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	N/A	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	N/A	*
4	Provide your CAGE code or DUNS number:	146018887	*
5	Proposer Physical Address:	12000 West Parmer Lane Austin, TX 78613	*
6	Proposer website address (or addresses):	www.hellasconstruction.com	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Saulo Hernandez, Director of Estimating, 12000 West Parmer Lane, Austin, TX 78613, shernandez@hellasconstruction.com, (512) 250-2910.	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Ruth Hawley, Cooperative Contracts Manager, 12000 West Parmer Lane, Austin, TX 78613, rhawley@hellasconstruction.com, (512) 809-9509.	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	None.	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	

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10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Hellas Construction, Inc. began operations in January 2004. The Company was formed by Mr. Reed J. Seaton who has approximately thirty years of senior management experience in the artificial turf, running track and sports construction business. Mr. Seaton continues as President of the company and is very active in day-to-day operations. The Company's core competencies revolve around the construction, design, manufacture, sale and installation of high-quality synthetic sports playing surfaces. Hellas offers customers "one-stop shopping" by providing complete project services including the manufacturing of an exclusive line of artificial turf systems, running tracks and courts, in-house design services, installation of the sports surface and any necessary construction services as we own over 1,000 pieces of construction equipment and employ our own installation and construction crews. Our overall mission is to satisfy the market segment we serve with integrity, quality construction, and on-time delivery. Hellas has maintained a steady growth in sales volumes by becoming the recommended company of choice by ensuring on-time delivery of all projects. Equally important is that each project is managed with great care and to the highest standards of the industry. Our company philosophy and market strategy are to consistently out-perform in terms of quality products and installation delivery of our projects on time! We focus on project solutions and quality to exceed our customers' expectations every time, and we differentiate ourselves in the marketplace accordingly. We never miss a kickoff! Our longevity is attributed to our commitment to our customers. satisfaction.	*
11	What are your company's expectations in the event of an award?	It has been our privilege to be a part of Sourcewell and offer our Sourcewell contract as an option to our customers and potential customers. We have seen a tremendous growth in our Sourcewell contract sales during our most recent contract term. We feel that as we continue to expand our collective footprint, we can expect an even stronger contract term with a continued momentum in increased sales. Hellas has a strong relationship with our Sourcewell support team and expect this will not change should we be awarded a new contract. We expect our relationship will continue to grow as we remain in constant contact with the Sourcewell team particularly our Supplier Development Administrator, Nick Trout who has been instrumental in the growth of our current Sourcewell contract. Further, Hellas' market share continues to grow geographically outside of the Southwest and expanding more into the higher education and professional arenas. We feel that Sourcewell will help further launch Hellas into the north and northeastern U.S. and continue to gain trust in other markets such as higher education. This is not to say that Hellas does not intend to promote Sourcewell in the Southwest, as proven by our recent Hellas' Sourcewell sales in Texas which have been in the millions of dollars.	*
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Please see the documents entitled Reference Letters and Financial Stability in the FINANCIAL STABILITY zip file which contains the following: • Bonding capacity letter • Letter of credit • Certificate of Insurance • 2020 audited financials statements	*
13	What is your US market share for the solutions that you are proposing?	Hellas Construction, Inc. has a greater than 50% U.S. market share in the Specialty Sports Construction and Surfacing marketplace and continues to gain market share with approximately 30% revenue growth year over year since inception. The strategy to continue our market share growth includes a focus on maintaining our strong reputation in the Sports Surfacing Industry by continuing to promote the education of our staff and encouraging certifications in the areas of sports surfaces design, manufacturing and construction all of which ensure Hellas remains the most trusted sports surfaces provider in the U.S.	*
14	What is your Canadian market share for the solutions that you are proposing?	We do not currently have a market share in Canada.	*
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No.	*

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16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	Hellas is a nationwide, single-source construction company that manufactures its own sports playing surfaces, sells them with our own salesforce (Business Development Managers) and installs with our own employee crews and construction equipment. We manufacture our own fibers, textiles and polymers that go into our products which ensures quality control from the very beginning. Our salesforce is over 1,250 strong as our President, Reed Seaton, has always emphasized that every person employed by Hellas is a direct representation of our company to our customers and our communities, and as such, we are all part of the sales process. Our dedicated “boots on the ground” salesforce that comprises our Sales Department is comprised of our Director of Sales, twenty-one dedicated Business Development Managers (BDMs) and six Sales Process Specialists that support our BDMs. Our BDMS are strategically located throughout the U.S. and each covers their own respective territory. Our Sales Team gathers once a month for training, team building and strategic planning and are led by our President, Reed. J. Seaton and Director of Sales, Sydney Stahlbaum.	*
17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Hellas holds a Certificate of Authority to do business in all fifty states, maintains our good standing by filing our annual reports and taxes each year. Hellas further holds the required contractor's licenses to perform our services in all jurisdictions requiring licensure. Hellas also has employees on staff that hold American Sports Builders Association (ASBA) certifications in track, turf and tennis court construction. All can be verified at the various state licensing websites and Secretaries of State websites. Also, please see uploaded document entitled ASBA Certificates under FINANCIAL STABILITY zip file.	*
18	Provide all “Suspension or Debarment” information that has applied to your organization during the past ten years.	Hellas has not been suspended or debarred from performing work.	*

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Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	2020 INC. 5000 List of America's Fastest Growing Companies AUSTIN BUSINESS JOURNAL -Austin Area Commercial Construction Companies – Ranked Number Nine ERNST & YOUNG – Entrepreneur of the Year, Reed J. Seaton, CEO ENGINEERING NEWS- Top 600 Specialty Contractors – Ranked 102 SYNTHETIC TURF COUNCIL -Sports Project of the Year Award – Multi-Field Berl Huffman Champion Soccer Fields, City of Lubbock 2019 Engineering News Record Top 600 Specialty Contractors – Ranked 143 2018 ERNST & YOUNG – Entrepreneur of the Year, Reed J. Seaton, CEO SYNTHETIC TURF COUNCIL -Sports Project of the Year Award – Municipal Park & Sports Complex, City of Portland AMERICAN SPORTS BUILDERS ASSOCATION – Multi-Field Facility Award Winner, Municipal Park & Sports Complex, City of Portland 2017 INC. 5000 list of America's Fastest Growing Companies	*
20	What percentage of your sales are to the governmental sector in the past three years	2021– 5% 2020 – 2% 2019 – 6%	*
21	What percentage of your sales are to the education sector in the past three years	2021 – 95% 2020 – 98% 2019 – 94%	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	The below are approximate. 2019 1GPA - $30MM AEPA - $20 MM Allied States Cooperative - $5MM BuyBoard- $14MM CMAS- 0 GSA - $1MM Sourcewell - $650,000 TIPS USA - $4 MM 2020 1GPA - $25MM AEPA - $16 MM Allied States Cooperative - $8MM BuyBoard- $6MM CMAS- 0 GSA - 0 Sourcewell - $12 MM TIPS USA - $7 MM 2021 1GPA - $35MM AEPA - $33 MM Allied States Cooperative - $3MM BuyBoard- $20 MM CMAS- $2 MM GSA - 0 Sourcewell - $30 MM TIPS USA - $2 MM	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Contract No. GS03F0227W – Schedule 078 – Sports, Promotional, Outdoor, Recreational, Trophies and Signs (Sports). Sales volume last three years: $971,450.	*

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Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Wichita State University	Brad Pittman	316-978-5556	*
Keller Independent School DIstrict	Eric Persyn	817-744-1066	*
Lindale Independent School District	Jamie Holder	903-881-4001	*
Fayetteville Public Schools	Steve Janski	479-287-5631	

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
City of Portland	Government	Texas - TX	Two sports complexes with multiple fields, sidewalks, fencing, etc.	$8.7 million and $8.5 million	$17 million	*
Cypress Fairbanks ISD	Education	Texas - TX	Artificial turf, tracks, lighting at multiple sites	$14 million and $14 million	$28 million	*
Big Foot Union HS District	Education	Wisconsin - WI	Athletic complex with multiple fields	$8 million	$8 million	*
City of Eagle Pass	Government	Texas - TX	Athletic Park with turf fields, tennis courts, lighting, sidewalks, fencing, etc	$15 million	$15 million	*
Fort Bend ISD	Education	Texas - TX	Athletic Park with turf fields, tennis courts, sidewalks, fencing, etc	$16 million	$16 million	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	Hellas has a team of local Business Development Managers and Regional Vice Presidents of twenty-one individuals. Each live/work in a designated market area covering over 75% of the US sports construction market. We have sales staff in the following locations: Austin, TX Frisco, TX Houston, TX San Antonio, TX El Paso, TX Phoenix, AZ San Marcos, CA Wichita, KS St. Gabriel FL St. Louis, MO Las Vegas, NV Chapel Hill, NC Pittsburgh, PA Youngstown, OH Oklahoma City, OK Nashville, TN Seattle, WA	*

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27	Dealer network or other distribution methods.	Hellas does not have a dealer network. Sourcewell members will work directly with Hellas.
28	Service force.	Hellas Construction, Inc. has a team of over 1,250 employees which give us the ability to handle more than 100+ projects around the nation concurrently; focusing on construction, turf, track, and tennis installation, design, surveying, and after-the-sale service and maintenance. Hellas also owns more than 1000 pieces of heavy construction equipment, operated by highly qualified staff with decades of unique skill and knowledge in sports construction under their belts. Please see MARKETING PLAN zip file for document entitled MARKETING BROCHURES which contains our "About Hellas Construction, Inc." brochure. LOCATIONS All service calls should go to our corporate headquarters location. Company Headquarters 12000 West Parmer Lane Austin, TX 78613 P: (512) 250-2910 | F: (512) 368-2972 Our Manufacturing Facilities are located: Hellas Polymers 3511 County Road 200 Liberty Hill, TX 78642 Phone: 512-778-9922 Fax: 512-778-9956 Hellas Fibers 146 Industrial Park Drive Dadeville, AL 36853 256-786-0854 Hellas Textiles 75 Lowy Drive Chatsworth, GA 30705 Fax: 706-517-0853 Contact: Angie Stamey, Plant Manager astamey@hellasconstruction.com We have staffed personnel in the following locations that are able to visit and assess project sites. Austin, TX Frisco, TX Houston, TX San Antonio, TX El Paso, TX Phoenix, AZ San Marcos, CA Wichita, KS St. Gabriel FL St. Louis, MO Las Vegas, NV Chapel Hill, NC Pittsburgh, PA Youngstown, OH Oklahoma City, OK Nashville, TN Seattle, WA

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29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Hellas' proposal process begins with the direct relationship between our customers and our Hellas-employed Business Development Managers (BDMs) in which BDMs strive to gain a solid understanding of our customer's needs to provide a solution which best delivers. Once our BDM has personally met with the customer and visited the project site, the BDM communicates all of the relevant information to the Sales Process Specialist in our corporate office to start a file, assign an estimator and calendar the deadline for the proposal. A proposal is generated by our Estimating Team to include a color rendering produced by our Design Team for the customer to visualize its field or track. Our proposal includes Hellas' Sourcewell contract information and not to exceed pricing. Hellas strives to further discount its Sourcewell pricing to be as competitive as possible. Once the customer approves the proposal, Hellas works closely to coordinate schedules, draft contract, and bring the customer's project to fruition using our Hellas' trained and employed crews.	*
30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	Our customer service support philosophy is to exceed our customer's expectations. We achieve this by striving to do the job right the first-time minimizing warranty issues, educating our customers on the proper maintenance of our products and quickly responding to any customer service issues. Should the need arise, Hellas will be available to members with any questions or issues regarding the maintenance of their surfaces by calling our corporate offices at (800) 233-5714 Monday through Friday, 7:30 am to 5:30 pm Central Time. As previously stated, Hellas has several locations throughout the U.S. Installation crews are working on projects throughout the country at any given time, and we can dispatch someone immediately if working in the area. Hellas can perform repairs and warranty work at any time including after hours, weekends and holidays should the need arise at Owner's request. Our commitment is to provide the best quality products, installation and post-installation services to our customers while ensuring the safety of our employees and the public that will be using our facilities and sports surfaces. Since Hellas installs and services its own products and installations, we are able to maintain quality control within our company.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Hellas is able to service all areas of the United States and is not restricted by any other contracts.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Hellas is able and willing to explore opportunities in Canada more specifically areas nearest our offices in the Seattle, WA area.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Canada.	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	None.	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	Hellas holds a Certificate of Authority and Contractor's licenses in all in fifty states including Alaska and Hawaii. There are no restrictions of which we are currently aware.	*

Table 7: Marketing Plan

Line Item	Question	Response *	
36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Please see document entitled Marketing Brochures in Marketing Plan zip file. Hellas can co-brand Hellas and our Sourcewell contract on any of our marketing materials for use at trade shows, e-mail blasts and distribution by our sales team. SALES MEETINGS Hellas' sales team meets several times per year where they are provided with updates and continuing education on our cooperative contract to include market trends and initiatives. Our sales force is in constant communication with our Estimators, Director of Sales and full time Cooperative Contract Manager who are very familiar with our Sourcewell pricing and facilitate proposals to our customers.	

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These Sales Meetings are integral to reinforcing the central focus of our sales efforts – which is to utilize cooperative purchasing as a sales tool.
EMPLOYEE COMMUNICATIONS
Emails and press releases will be sent to all key employees company-wide regarding our Sourcewell contract and projects.
NEW EMPLOYEE TRAINING
New employees are educated one-on-one on the benefits of our Sourcewell contract, and Hellas ensures they understand the cooperative purchasing process.
IN-HOUSE MARKETING DEPARTMENT
Hellas also has an in-house marketing department located at our corporate headquarters in Austin, Texas. It is here all marketing materials, collateral, and campaigns are created, developed and managed. Hellas has in-house printing capabilities allowing us to provide Sourcewell member agencies with print materials on demand.
The following are dynamic, experienced, and competent individuals that comprise our marketing team – a complete team committed to marketing this Contract.
Sydney Stahlbaum – Director of Sales and Marketing. Sydney brings a decade of experience in the sports construction industry to her leadership of the Hellas Sales and Marketing teams. Her experience has shown that the Sourcewell contract is an invaluable selling tool that brings values to Hellas' clients and Hellas itself. As such, Ms. Stahlbaum will ensure that the sales team and marketing team are aligned in promoting use of the Sourcewell contract.
Claudia Villegas - Graphic Design Specialist. Claudia has over 20 years in graphic design and is responsible for website graphic management, graphics development, logo development, designing cut sheets, brochures, pamphlets, signs, banners, advertisements, binders and other graphic projects as they arise. She also edits photography, presentations, video, audio, and commercials, as needed. She assists the sales team and construction crews with signage and banner ordering as needed. She is also fluent in Spanish.
Brittany Longoria – Graphic Designer. Brittany assists Claudia in executing graphic design projects. She integrates a fresh eye for design into Hellas' established brand standards.
Knute O'Donnell – Marketing Specialist. Knute is responsible for all tradeshow coordination, special events, marketing events, sales support, as well as ordering and maintaining promotional items, cut sheets, brochures, samples, and marketing materials. He is a key point of contact for our field sales team, providing them with the valuable support needed to excel in all sales efforts.
Estefania Zuluaga – Marketing Coordinator. Estefania provides support to the entire Marketing and Sales Team. She assists with tradeshow coordination and ensures Hellas' sales team has all of the marketing materials and product samples needed to successfully market and present Hellas' products and services to current and prospective customers.

Jeff Power – Photographer and Videographer. Jeff brings a career of sports reporting to Hellas as the company videographer and photographer, going on site for finished projects and special events. He writes speeches and articles for the company and employees as needed.
Caroline Copeland – Special Projects Manager. Caroline Copeland is a seasoned professional with decades of experience in business-to-business marketing. Caroline tackles special projects and makes an impact in the business ensuring we have the highest visibility inside and outside of the company. She is responsible for writing press releases and articles, creating and editing copy for brochures, pamphlets, cut sheets, website, campaigns and advertisements. She creates taglines and sales slogans, as well as technical product description information for collateral.
Hellas will collaborate on marketing efforts with Sourcewell members and future Sourcewell members in the following ways:
- Multimedia public relation campaigns
- Handouts and brochures
- Partnering at trade shows
- On-site support
- Special event coordination

Hellas exhibits at various venues including those that target School Boards, Administrators, Procurement Officials, Coaches, Athletic Directors, etc. at every level from K-12 through post-secondary education.
Below is a list of shows, we are currently scheduled to attend for the 2022:
SHOW DATES & LOCATIONS
American Baseball Coaches Association 1/6/2022-1/9/2022
United Soccer Coaches 1/19/2022-1/23/2022
Sports Turf Managers Association 1/19/2022-1/20/2022
The School Superintendents Association 2/16/2022-2/18/2022
National Parks and Rec Association 9/20/2022-9/22/2022
National Athletic Directors Conference 12/9/2022-12/13/2022
American Sports Builders Association TBD
National School Boards Association 4/2/2022-4/4/2022
Colorado Athletics Directors Association 5/1/2022-5/2/2022
Arizona Interscholastic Athletic Administrators Association Sep-22
Arizona School Boards Association Dec-22

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		New Mexico School Board Association Dec-22 Utah AD Show 4/6/2022-4/9/2022 Utah Parks and Rec March 14-16 2022 Washington Recreation & Park Association 4/13/2022-4/15/2022 Colorado Association of Educators Jul-22 AZLAS Winter Conference 1/9/2022-1/10/2022 California School Boards Association 12/1/2022-12/3/2022 Washington State School Directors Association 11/16/022-11/19/2022 California Coalition for Adequate School Housing 2/23/2022-2/25/2022 Washington Parks And Rec 4/13/2022 Washington Association of Maintenance and Operations Admins 10/6/2022 Oregon Athletic Directors Association TBD Texas High School Baseball Coaches Association 1/13/2022-1/15/2022 TASA Mid-Winter Conference 1/30/2022-2/1/2022 Texas Recreation & Parks Society 2/15/2022-2/18/2022 Texas Association of School Business Officials 3/1/2022-3/2/2022 Texas High School Athletic Directors Association 6/12/2022-6/15/2022 THSADA Golf Tournament Jun-22 Texas High School Coaches Association 7/16/2022-7/19/2022 Texas Association of School Admin/School Boards 9/23/2022-9/25/2022 Texas Municipal League 10/5/2022-10/7/2022 Mexican America School Board Association Deciding in Jan on date TASBO School Operations Conference 11/4/2022 TASBO Engagement Conference 3/1/2022 City of Palms Football Coaching Clinic 1/28/2022 DFW Coaching Clinic 1/28/2022 Alamo City Coaching Clinic 1/21/2022 Lone Star Coaching Clinic 2/11/2022 Piney Woods Football Clinic 1/14/2022 Mississippi Athletic Administration Association 1/11/2022-1/14/2022 Wisconsin Education Convention (WASB) 1/19/2022-1/20/2022 Illinois Association of Parks Districts 1/27/2022-1/28/2022 Wisconsin Athletic Directors Association 11/6/2022 Iowa Football Coaches Clinic 3/4/2022 Arkansas Athletic Directors Conference 3/9/2022 Arkansas Association of Educational Administrators 7/26/2022 Oklahoma Athletic Directors Conference Jun-22 Cooperative Council for Oklahoma School Administrators 6/7/2022-6/9/2022 Kansas School Board Association Nov 11-Nov 13 2022 United School Administrators - Kansas Annual Convention TBD Pennsylvania State Athletic Directors Association 3/16/2022 Ohio School Board Association 11/1/2021 Southern Association of Independent Schools 10/23/2021-10/25/2021 North Carolina School Boards Association 11/14/2022-11/16/2022 Florida Interscholastic Athletic Administrators Association 4/29/2022-5/2/2022 Florida Recreation & Parks Association 8/29/2022-8/30/2022 Maryland Rec and Parks 4/5/2022 Georgia Association of School Facilities 10/23/2022 Pennsylvania School Board Association 10/31/2022 Pennsylvania Athletic Directors Show 3/15/2022 WV AD Show 4/2/2022 Kentucky School Boards Association 2/25/2022-2/27/2022 Virginia Interscholastic Athletic Administrators Association 3/23/2022 - 3/26/2022 New Jersey League of Municipalities 11/15/2022
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Hellas uses and will continue to use various marketing strategies to educate end users of our superior products, services and processes through various outlets such as the following: • A national salesforce all employed directly by Hellas ensuring a direct and clear message to our customers. • Print advertisements in publications. • Our various websites such www.hellasconstruction.com, www.matrix-turf.com, www.epiqtracks.com • Social media such as Facebook, LinkedIn, Instagram, and Twitter. • Through our partnerships with professional teams such as the Dallas Cowboys, Houston Texans, Miami Dolphins, Jacksonville Jaguars, and Las Vegas Raiders. • Customized marketing materials • Tradeshows • Press Releases

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38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	We believe that Sourcewell's role is to market the quality and caliber of its vendors and promote itself as a cooperative agency that stands out among the rest. Hellas relies on Sourcewell to encourage purchasers especially at the State level to adopt Sourcewell's contracts. Hellas has successfully integrated our Sourcewell contract into our sales process which has been proven by the exponential growth of our current Sourcewell contract in recent years. Hellas will continue to lead with the cooperative contract option in our sales process.	*
39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	We do not have e-procurement capability; however, we are as accommodating as possible to our customers to ensure a seamless process. We have not been unable to "close a deal" for not offering e-procurement.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	
40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Post-Installation Support Our post-installation support and training is a standard feature offered by Hellas at no additional cost on the care and maintenance of our customer's athletic surfaces immediately following installation by our trained onsite personnel. Hellas also provides written Care & Maintenance Instructions during and at the close of a project. Please see our MAINTENANCE MANUALS document in the WARRANTIES AND MAINTENANCE zip file. After building a first-class sports venue, regular maintenance and cleaning will extend the lifespan and good looks of our surfaces. Hellas offers cleaning equipment, technicians, and education. Our line of maintenance solutions not only enhance, but guarantee every sports surface looks and feels new long after its completion. Customers have the option to purchase our maintenance services and/or cleaning equipment for future maintenance of their surfaces. Hellas crews will professionally groom and clean synthetic turf fields and running tracks once or twice per year through our CleanSweep® Turf Grooming Service and our epiQ TRACKS® Cleaning System. We also offer turf grooming equipment which grants our clients the ability to maintain their own playing surfaces should they so desire. Please see our Pricing Schedule under Table 12 for these options as well as the MAINTENANCE SERVICES document In the WARRANTIES AND MAINTENANCE zip file.	*
41	Describe any technological advances that your proposed products or services offer.	Hellas is always at the forefront in our industry looking for innovative ways to improve the environment and our products' safety, reliability, performance, and aesthetics. Our most recent new innovative offerings include: Clean O3 Covo Killer Turf Sanitation Service is designed to meet the demand of our customers as a result of the recent pandemic. Clean O3 by Hellas Construction is a field disinfection program that provides peace of mind to synthetic turf owners. In addition to effectively eliminating the Coronavirus, Clean O3 also eliminates MRSA, Salmonella, Noroviruses, and E. coli by applying Ozone to the surface. EcoNailer – Is an environmentally friendly nailer board used to secure the synthetic turf in place. Eco Nailer is 100% recycled plastic made from turf waste. Eco Nailer will not rot, mildew, decay, or warp, even under extreme freeze-thaw cycles and in wet climates. Eco Nailer has a 25-year warranty and will last two to three turf cycles. Hellas' developed our Helix feature for our Matrix® synthetic turf which has shape memory technology that is added during our manufacturing/extrusion process which makes each fiber curl. The curled monofilament fiber secures the infill which prevents migration and "splash out" and produces a uniform, aesthetically pleasing surface. Helix brings memory tenacity, similar to a muscle fiber, that allows the turf to bounce back after use. Matrix Turf with Helix has a unique shape and design that makes it the most resilient, stable and durable monofilament fiber in the market. We offer field cooling technology for very hot climates with a selection of infills such as: GeoPlus™ is a coconut and cork infill which was introduced several years ago and gained considerable momentum in the marketplace due to its surface cooling technology. This lead to other innovative infill options. Ecotherm™ infill is the newest innovation exclusive to Hellas. It's 100% recyclable and made from recycled vinyl TPU and cellulose fibers. The uniquely shaped granules pull moisture from the air to reduce field surface temperatures by as much as 20°, versus the surface temperature of a synthetic turf field with black crumb rubber. Please see PRODUCT INFORMATION document.	*
42	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Hellas is the industry leader when it comes to protecting the environment. We believe the next generation of sports construction projects should leave a positive impact and not sacrifice ecological or social necessities. Our internal manufacturing of non-toxic polyurethanes are the foundation of our quality products. Hellas' products contain no heavy metals or toxins, providing "greener" running tracks and synthetic turf systems. Our court surfacing products test excellently in solar reflectivity. They are environmentally friendly latex and water-based acrylic coatings, suitable	

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for all outdoor sports court surfaces.
We use eco-friendly, locally sourced, recycled materials and resources, from the concrete and asphalt for parking lots and sidewalks, to our synthetic turf infills and LED lighting systems. With our exclusive REALFILL™ infill system, as well as our epiQ Tracks® running systems, our projects result in more than 25 million tires recycled every year. Hellas offers our Geo Plus infill as an alternative, made from 100% plant-based, organic materials. This combination of carefully selected, specially treated, organic coconut fibers and cork ensure the highest level of sports performance, compared to the experience on a natural grass field, and with 90% less water usage.
We use EcoNailer nailer board which is an environmentally friendly nailer board used to secure the synthetic turf in place. Eco Nailer is 100% recycled plastic made from turf waste. Eco Nailer will not rot, mildew, decay, or warp, even under extreme freeze-thaw cycles and in wet climates. Eco Nailer has a 25-year warranty and will last two to three turf cycles.
Our effective drainage systems reduce runoff and control each project site's water balance, while our synthetic turf systems reduce water consumption for athletic and landscaping projects by up to 100%, saving millions of gallons of water every year. Hellas will use our expertise, products and technology, to help your project earn you points to become LEED certified.
Because Hellas is vertically integrated, we have the capability of meeting our client's product and construction requirements for LEED certification beyond the information provided below:

SUSTAINABLE SITES:
Construction Activity Pollution Prevention
Hellas reduces pollution from construction activities by controlling soil erosion, waterway sedimentation, and airborne dust by performing a SWPPP (Stormwater Pollution Prevention Plan).
Site Assessment
Before project design begins, Hellas evaluates sustainable options after performing a survey that provides information regarding topography, existing vegetation, and a geotechnical analysis on the project site's soil consistency. We then inform related decisions about the site design based on these findings.
Rainwater Management
Through our effective drainage system, we can reduce runoff and control the water balance of the site.
Heat Island Reduction
Hellas reduces heat islands and minimizes effects on human and wildlife habitats and micro-climates by testing excellently in solar reflectivity for TPS 5000 court surfacing products. Solar reflectivity is the ability of a material to reflect sunlight back into the atmosphere which reduces heat absorption from the sun.

WATER EFFICIENCY:
Outdoor Water Use Reduction
By using our synthetic turf systems, we can reduce outdoor water consumption for athletic and landscaping projects. Our patented Realfill system, containing recycled rubber and requires no irrigation.
Indoor Water Use Reduction
Hellas can reduce indoor water use by implementing low water consumption fixtures and fittings.

MATERIALS AND RESOURCES:
Building Life-Cycle Impact Reduction
Hellas can reuse products and materials including recycled rubber in synthetic turf infill and running tracks, while also recycling asphalt and concrete sidewalks, parking lots, etc.
Sourcing of Raw Materials
Locally sourced, reused, or recycled materials (drainstone, concrete, and asphalt, etc.) within a 100 mile radius of the project site can qualify a project to achieve LEED credits.
Material Ingredients
Hellas selects the best raw materials as ingredients for our products. These ingredients have an accepted methodology and are verified to minimize the use and generation of harmful substances.

PILOT CREDITS:
Walkable Project Site
Hellas' Design Department can incorporate sidewalks, walking trails, etc. to promote non-motorized transportation to the project site.
Prevention Through Design
Hellas' Safety Department promotes cost-effective employee safety and health throughout the building life-cycle by conducting mandatory safety meetings, forums, and evaluations to confirm compliance to all safety regulations.
Assessment and Planning for Resilience
Before a project is designed, our team communicates with the client to plan for potential impacts of natural disasters or disturbances of the project site. Please see Green Initiatives brochure within the MARKETING BROCHURES document located in the MARKETING PLAN zip file.

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43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Hellas has been able to assist customers with obtaining LEED certification. Please refer to response to number 42.	*
44	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	Hellas Construction, Inc. is not HUB, M-WBE, or SBE certified. However, we strive to utilize Minority, Woman and Disabled Veteran Owned Business Participation (MBE/DBE) suppliers and subcontractors local to the project when possible.	*
45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Hellas is unique as we place great value on the advancement of the skills and knowledge of our employees. We encourage continuing education by offering financial incentives to those that seek professional degrees and certifications in the fields of construction, design, project management and specifically sports field, running track and tennis court construction. Hellas has staff that includes engineers, architects, professional surveyors, project managers, and sports surface builders certified by the American Sports Builders Association. Please see uploaded document entitled "ASBA Certifications in the FINANCIAL STABILITY zip file. Hellas is also unique in that we are full service one stop shop solution to Sourcewell members for their athletic facility needs. Hellas can serve as a general contractor, manufacturer and installer of all our sports surfaces and related equipment and services to ensure a seamless experience from order to project completion. Sourcewell members will have a dedicated project manager who is the sole point of contact for any project-related issues. We not only offer the sports surfaces but any construction-related services including site clearing, site work, storm water pollution prevention, flatwork, asphalt work, drainage, fencing, and any other ancillary work relating to the sports surface desired by the Sourcewell member.	*

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
46	Do your warranties cover all products, parts, and labor?	Hellas warrants parts and labor on our manufactured synthetic turf products, running track products and tennis courts. Hellas provides the industry standard on our warranties; although, historically our surfaces outlast the warranty periods if they are properly maintained. Hellas provides training and maintenance manuals upon completion of a project on proper care of our surfaces. Hellas' warranty periods are as follows: Construction: One-year Synthetic Turf Surfaces: Eight years Running Track Surfaces: Five years for new polyurethane tracks. One year for polyurethane re-tops Three years for latex tracks Tennis court surface: One year Extended warranties are available. Please see Warranties provided under WARRANTIES folder.	*
47	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Our warranties expressly state any limitations of the warranty which are reasonable and standard in the industry.	*
48	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Yes.	*

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49	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	Hellas can provide warranty repairs with Hellas certified employees anywhere in the U.S., but we have not established business operations in Canada. We have a streamlined Warranty Claim process in place. Hellas' policy is to respond to customer warranty issues between 24 and 48 hours of notification. Hellas has installation crews working on projects throughout the U.S. at any given time and can dispatch a crew immediately depending on the urgency of the claim, if we have crews working in the area, and if Owner can secure the area for our crews to perform the work. We work closely with the Owner to schedule the work once Hellas has received the information needed to assess the issue such as detailed photos from the Owner, we have verified the claim is within the warranty period and the Owner has made the premises available for our crews to mobilize and do the work. Hellas can perform repairs and warranty work at any time including after hours, weekends and holidays should the need arise at Owner's request. Our superintendents and crew foremen are equipped with cell phones, cameras and laptops enabling them to report progress in nearly real time if so requested. Hellas is always available to its customers with any questions regarding the maintenance of their surfaces by calling our corporate offices at (800) 233-5714 Monday through Friday, 7:30 am to 5:30 pm Central Time.
50	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Hellas is a Sole Source of Responsibility vendor. Since Hellas manufactures and installs with our own employee crews, we are able to cover most warranty issues ourselves directly. We have a network of trusted equipment suppliers that work with us on hundreds of installations and value their relationship with Hellas. As such, should any issues arise with equipment supplied by these suppliers, the Sourcewell member should contact Hellas directly, and we will facilitate the repair or replacement of any defective equipment.
51	What are your proposed exchange and return programs and policies?	We want our customers to be 100% satisfied with their project. We work very closely with our customers through the submittal process wherein we provide detailed drawings, specifications, product samples and color samples for our customers to know exactly what they are being provided. We also walk through the completed project to ensure customer satisfaction and do not leave the site until this has been achieved. If a customer is unhappy with any athletic equipment or maintenance equipment, Hellas will make every effort to repair or exchange within a reasonable time after installation. We do not put a deadline on maintaining customer satisfaction. Replacement times for sports surfaces: As the manufacturer of our own sports surfaces, we are not affected by the potential delays that can be caused by having to order replacement materials from a third-party making our replacement times up to several days (or more) less than some competitors. The following are examples of replacement times once our crews are on site as each claim's severity will vary thus varying the replacement times. SYNTHETIC TURF SURFACE: We provide our customers with stock materials after our turf installation in case the turf is damaged or a section of the turf needs to be replaced for reasons other than defective turf material. The majority of Hellas' minor turf repairs have been completed within 1-2 days. Replacement of an entire field would take approximately 21 days. Please note, Hellas has never had a defective field replacement. TRACK SURFACE: The removal of an existing surface from an entire track oval takes approximately 2-3 days depending on the type of surface. For perspective, an entire new track surface on a 5200 SY track can be installed in 3-7 days depending on the track product. TENNIS SURFACE: 1 court – 2 days. 2 courts – 3 days. 8 courts – 9 days. Please note: Replacement times can be affected by weather, availability and security of the grounds to make the repairs and type of surface being repaired as installation times vary depending on the product.

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52	Describe any service contract options for the items included in your proposal.	Hellas provides professional cleaning/grooming services for our synthetic turf and running track systems. These are more detailed in the brochures provided under the MAINTENANCE SERVICES folder and pricing is available in our price list.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
53	Describe your payment terms and accepted payment methods.	Net 30. Check, EFT, credit cards.	*
54	Describe any leasing or financing options available for use by educational or governmental entities.	Hellas can provide captive partners for financing terms. Hellas is also willing to work with Sourcewell awarded financing vendors should the need arise. Please note, it is seldom that Hellas to be approached by a customer needing financing.	*
55	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Hellas normally accepts our customer's form of contract or purchase order which will be reviewed by our Contract Management department. Occasionally, a customer will request that Hellas provide a draft contract. Hellas will use an A105 contract (American Institute of Architects) which is an industry accepted template and will work with the customer to reach agreeable terms.	*
56	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Hellas does not currently offer this option and customers have not required it, but we are willing to look into this if it is beneficial to members.	*

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Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
57	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Hellas is offering a minimum 2.5% line item discount off of our MSRP. Please see "Hellas Sourcewell Pricing Schedule."	*
58	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	The minimum discount is 2.5%. Hellas typically and historically has offered Sourcewell members a discount exceeding the 2.5%.	*
59	Describe any quantity or volume discounts or rebate programs that you offer.	Hellas does not have a set discount offered on volume since our projects are typically large-scale. Hellas will determine on a case-by case basis and will provide discounts when multiple surfaces/facilities are part of one contract.	*
60	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	For products/materials and/or services requested or needed on a project that are incidental to the products and services we offer, Hellas will not exceed RS Means for the product/material and/or labor. For products/materials not available through RS Means, Hellas will procure these items at cost plus a percentage to the customer not to exceed 20%.	*
61	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Items such as site visits or inspections are all part of the sales process, and Hellas does not charge for this. Our Sourcewell pricing includes installation unless expressly stated otherwise. Training on the maintenance of the surface is included and is done at the conclusion of the project. Our pricing does not include shipping, taxes, prevailing wages or bonds. These are pass throughs to the customer.	*
62	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	All Hellas manufactured turf materials are shipped from Chatsworth, GA to the job site. Shipping costs for each turf project are charged per full truck load (FTL)or less than truck load (LTL) and are invoiced to Hellas. We pass this invoiced amount to the customer without markup. All track surfacing materials are shipped from point of origin to the job site in full truck load (FTL) or less than truck load (LTL) and shipping costs are invoiced to Hellas. We pass this invoiced amount to the customer.	*
63	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Same as prior response.	*
64	Describe any unique distribution and/or delivery methods or options offered in your proposal.	None.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
65	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

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Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
66	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Ruth Hawley is our designated person responsible for Sourcewell reporting and transmittal of administrative fees. Hellas has historically reported and transmitted fees timely. Our Sourcewell pricing is managed by our VP of Estimating and Director of Estimating and is provided to each member of our team of estimators for reference and compliance when preparing a Sourcewell proposal.	*
67	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Ruth Hawley is our dedicated and designated person at Hellas that tracks all of our Sourcewell sales, keeps in regular contact with Nick Trout, our Sourcewell contract manager, ensures our sales team is notified and encouraged to attend Creating Success with Sourcewell webinars and local Sourcewell University offerings.	*
68	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Hellas' administrative fee has been 1% historically, and we would like to continue with the fee which improves our competitiveness as our average contract is approximately in the six figure range.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
69	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	Hellas is offering the manufacture, design and installation of our sports playing surfaces to include synthetic turf, running tracks and courts. Our market leading brands manufactured by Hellas are: • Matrix Synthetic Turf • Velocity Synthetic Turf • Fusion Synthetic Turf • epiQ Tracks Surfaces • TPS 5000 Tennis Court Surfacing Product literature for these products is provided in the PRODUCT INFORMATION folder. Hellas provides: • Installation of these surfaces which may include full construction not just the surface. • Professional maintenance of those surfaces. • Equipment ancillary to the playing surfaces • Maintenance equipment. • Design of the surfaces and facilities Please refer to our price sheets which are broken out by category (Turf, Track and Tennis), and lists each specific product that falls under each category. For products/materials and/or services requested or needed on a project that are incidental to the products and services we offer, Hellas will not exceed RS Means for the product/material and/or labor. For products/materials not available through RS Means, Hellas will procure these items at cost plus a percentage to the customer not to exceed 20%.	*
70	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Please see our uploaded Sourcewell Pricing Schedule under Table 12.	*

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Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
71	Indoor and outdoor athletic and recreational artificial turf and running track surfaces and sub-surfaces	(•) Yes ( ) No	Hellas offers a complete line of artificial turf and running track systems manufactured by Hellas. Hellas also has the in-house personnel and equipment to not only offer the surfaces but any required sub-surface work such as site work and drainage.	*
72	Equipment, options, accessories, technology, materials, and supplies complementary or incidental to the purchase of a turnkey or complete solution of the types described in Line 71 above	(•) Yes ( ) No	Hellas offers all of the equipment and accessories necessary for a full turnkey installation of fields, running tracks and courts ready for play.	*
73	Services related to the offering of the solutions described in Lines 71 and 72 above, including installation, removal, disposal, refurbishment, inspection, repair, maintenance, training, and support	(•) Yes ( ) No	Hellas employs the skilled personnel used to remove and dispose of any existing surfaces that need replacement, to install the new surfaces and to train our customers on the use and maintenance of their new playing surface. Hellas is a one-stop shop turnkey solution.	*

Table 15: Industry Specific Questions

Line Item	Question	Response *	
74	Describe any unique advantage your product offers in relation to design, manufacturing, performance, maintenance, and product longevity.	Hellas is a full service provider of synthetic turf fields, running tracks, tennis courts and the facilities that house them. We are unique as we manufacture the fiber and polyurethane that go into our synthetic turf and running track systems which we install using our own trained personnel. We are able to ensure quality control of our products and installation from start to finish. By controlling our entire supply chain starting with manufacturing, Hellas can guarantee quality and peace of mind when it comes to your project. Hellas' products start with high-performance, raw materials utilizing our newest proprietary formulas. All of our products are made in America. Hellas Polymers, LLC: At Hellas Polymers, we manufacture polyurethanes for the backing for our synthetic turf systems, our running track binder and acrylics for our court surfacing systems. We have a dedicated quality control lab that ensures all polyurethane products pass our quality and durability test. Hellas Polymers ensures on-time production and direct distribution to every one of our projects. Our Eco-Manufacturing Process (EMP) was developed in-house to make our Polymers a market leader in the green manufacture of polyurethane products. Hellas specializes in providing superior manufacturing methods while using greener technologies to create an incomparable product, sustainably from our plant. Our Polymers are derived from non-petroleum based materials producing the most eco-friendly components. We directly ship our polyurethane coating materials to Hellas Textiles, LLC. Hellas Fibers, LLC: At Hellas Fibers, we begin the process by producing our synthetic yarn using one of the best resins available in the market today. We understand that optimizing the process is the key to produce the best possible yarn. Our manufacturing crews, who have over 40 years of experience in the industry, will make sure that every stage of the line production meets all critical criterion (i.e. melting point, water & oven temperature, lubricants etc.) to ensure accurate levels. Our quality control crew checks the yarn not only at regular intervals but also at random intervals ensuring the yarn quality be maintained throughout the process. As a result, by using the best resins with higher carbon bonding and a balanced optimization process, we produce the best yarn in the industry. Our products offer:	*

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- Resiliency
- Increased softness
- Lower shrinkage
- Durability
- UV stability
- Higher resistance to tear and embrittlement.

Our experienced fiber extrusion team skillfully handles every strand of fiber that goes into our turf. Hellas Fibers is the starting point of every one of the thousands of fields installed around the country. Our equipment, machinery, and experience ensure our clients receive the highest quality of turf customized to fit each unique specification.

We then ship the yarn to Hellas Textiles for tufting.

Hellas Textiles, LLC:
Once the yarn is received at Hellas Textiles, we begin the tufting process by using high quality, custom made tufting machines. Unlike other turf products, we use an additional layer of backing to provide more strength for the tuft binding. A stronger tuft bind creates a stronger, more durable turf making it ideal for increased utilization for many years. Once tufting is completed, the turf roll is sent to be coated with the polyurethanes manufactured by Hellas Polymers. Our service provider does this task for us with over 40 years of experience. Our employees observe the coating process and make sure that it is performed to our specifications throughout the process. The finalized turf roll gets a final wrap with the Hellas logo and is shipped onsite to the client by our trucking company who has been in business with us since our inception.

Our systems are more than just turf. Hellas Textiles houses the machinery and staff expertise required to tuft the turf. Hellas possesses the best technology and experience to manufacture the finest synthetic turf systems in the country. Hellas Textiles manages everything from turf inspection and yarn quality testing through tufting, coating, and delivery of the synthetic turf systems.

At Hellas, we are involved in our product every step of the way from yarn production to complete installation and after sale services and maintenance. We pride ourselves in being the one-stop-shop for sports construction from start to finish.

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75	Describe any sustainability design features your product offers.	Hellas is on a mission — a mission to make a difference not only for the world today, but for generations to come. The leader in sports construction and athletic surfaces, Hellas has regularly attends Green Sports Alliance Summit to continue our green initiatives and education on green practices and technologies. The event is the world's largest and most influential conference for the world of sports to discuss ideas and practices of sustainability and advancements in the field. Hellas has always practiced using eco-friendly, locally sourced, and recycled materials and resources in order to reduce the carbon footprint. To provide the best sports surfaces and athletic facilities, Hellas continues to research and develop new technology to make products and practices greener. Hellas was the first major U.S. turf manufacturer to remove isocyanate and solvents out of the synthetic turf field installation process. In-house chemists and internal manufacturing of non-toxic polyurethanes are the foundation of quality products for top-notch sports facilities. Hellas' products contain no heavy metals or toxins, providing environmentally friendly running tracks, synthetic turf systems, and water-based acrylic court surfaces. Before project design begins, Hellas evaluates sustainable options after performing a survey that provides information regarding topography, existing vegetation, and a geotechnical analysis on the project site's soil consistency. Once construction begins, Hellas maintains a sustainable project site by reducing pollution from construction activities through controlled soil erosion, waterway sedimentation, and airborne dust by performing a Stormwater Pollution Prevention Plan (SWPPP). Effective and planned drainage systems aid in reducing runoff and maintaining a controlled water balance on the job site. Through the exclusive Realfill™ synthetic turf infill and epiQ Tracks® all-weather running track surfaces, over 25 million tires are recycled every year, reducing the build-up in landfills. In addition to the use of these recycled products, a client can upgrade their synthetic turf system to our various organic infills. our synthetic turf systems reduce outdoor water consumption for athletic and landscaping projects. Realfill infill requires no irrigation, while the all-organic GeoPlus infill, composed of coconut fibers and cork, reduces water consumption by up to 90% From raw materials to installation, our products are engineered through a non-toxic, eco-friendly process. Hellas prides itself in being a socially responsible player in the sports construction industry, by using our capability and knowledge to meet client's product and construction requirements for LEED certification.
76	Describe the installation process and how it is managed from product order to completion.	Once Hellas has received a Letter of Intent, purchase order or signed contract from the project Owner, Hellas ensures the project is placed on our schedule to ensure project completion as required by the Owner. Hellas self-performs most of the work on our projects since we employ the personnel and own over 1,000 pieces of construction equipment. As such, we are able to seamlessly provide services at an accelerated rate that would otherwise need to be scheduled with third parties. Hellas provides all of the following pre-construction and construction services with its own personnel and equipment: • Site Evaluation and Assessment • Design & Engineering • Drainage • Soil Stabilization • Laser Grading • Surveying Project Team In the breakdown of the project responsibilities, Hellas will be responsible for coordinating with Owner to produce final construction documents, obtain permits, manage scheduling, perform all construction and manage overall coordination of the differing construction disciplines. Project Approach Hellas is a team-oriented, results-based company that implements these concepts from project inception to produce the highest quality sports venues. During the design phase, Hellas will work with the Owner and the owner's design professional to produce final project construction documents and drawings consistent with the Owner's project scope, budget and vision. This will include: • Coordination with the Owner during design development and construction; • Assurance of compliance with all bond and insurance requirements

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required by law and/ or Owner;
- Coordination and cooperation with local entities as necessary;
- Assurance of compliance with all applicable codes and regulations;
- Production, analysis and incorporation of geotechnical report into project design;
- Determine and document the location of all existing utilities on the project site and incorporate protection and/or relocation into design documentation;
- Incorporate all tasks, conditions and details, as enumerated in the provided drawings, if any, and Owner's instruction;
- Develop project specifications that are in keeping with the Owner's budget requirements of the project;
- Work with the Owner and analyze value engineering options to assure the design will comply with the Owner's requirements and project budget;
- Provide the Owner with a final construction schedule; and
- Present the Owner with completed design drawings and documentation for approval and permitting.

Once drawing and design approval is provided by the Owner, Hellas will obtain any permits necessary for construction and begin to assemble submittals for review and approval by the Owner.

Construction Processes
After permits have been obtained by Hellas, we will provide site surveying and layout of the proposed facility including detailed drawings. All construction haul routes will be marked and maintained throughout the project duration. Project access will be established and mobilization operations will begin. Site equipment and materials will be delivered and stockpiled at an agreed-upon lay down site area.

Testing of soils compaction and concrete breaking strengths will be provided by an independent testing company approved by the Owner.

Project Management
Hellas has a proven method of project management, safety procedures and quality control which we use on every project and jobsite. We install hundreds of projects every year since 2004 and have mastered the management of sports facility surfaces construction.

Hellas will assign a full time Project Manager to the project to manage all aspects of materials procurement, delivery, schedule compliance, cost control and communication with all parties including the Owner, designers, suppliers and subcontractors. The Project Manager will review the project weekly with our project team and the Owner's representatives. The Project Manager will also adjust all project resources to assure compliance with project schedule, adding resources as necessary to keep the project on schedule.

Subcontractor Coordination
Although Hellas self-performs the majority of our work, there are times when subcontractors may be needed. Hellas adheres to a rigorous selection criteria for choosing its subcontractors. Our subcontractors are closely managed by our Project Manager to ensure subcontractors adhere to the conditions of Hellas' prime contract, Sourcewell contract and project specifications. This also helps in maintaining control of the delivery of supplies and services as well as payment procedures. Our Site Superintendents also review the subcontractor's scope of work prior to their commencement of work and supervise and inspect the work on the jobsite.

Submittals
Hellas will oversee the production and review of all shop drawings, specifications, materials lists, brochures and material samples prior to submission to the Owner and the Owner's representatives for the final review/approval process for all construction phases of the projects.

Close Out Procedures
At substantial completion of the project, Hellas will perform a walk-through with the Owner to inspect the work and determine if any items remain outstanding. The Owner and Hellas will compose a "punch list" of pending items, if any. Hellas will complete any items and/or correct any deficiencies as listed. Hellas will complete the pending items expeditiously, and after corrective actions have been completed, Hellas will then request a review of the remaining items by owner.
Our Project Manager will prepare certificates of substantial and final completion, assemble all warranties, operational manuals/instructions, start

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		up and commissioning for all building facilities and systems and as-built drawings; forward to the Owner certifying that all items are complete. We will strive to have completed the project to the Owner's complete satisfaction.	

Table 16: Exceptions to Terms, Conditions, or Specifications Form

Line Item 77. NOTICE: To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- Pricing - Hellas Pricelist Sourcewell RFP 031622.pdf - Tuesday March 15, 2022 18:06:21
- Financial Strength and Stability - Financial Stability.zip - Tuesday March 15, 2022 14:58:31
- Marketing Plan/Samples - Marketing Plan.zip - Tuesday March 15, 2022 15:00:20
- WMBE/MBE/SBE or Related Certificates (optional)
- Warranty Information - Warranties and Maintenance.zip - Tuesday March 15, 2022 18:39:10
- Standard Transaction Document Samples (optional)
- Upload Additional Document - Product Information.zip - Tuesday March 15, 2022 15:05:46

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Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:
    1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

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by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Saulo Hernandez, Director of Estimating, Hellas Construction, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_1_Artificial_Turf_RFP_031622 Tue March 8 2022 04:36 PM	☑	2

TURF

Hellas Construction, Inc. Sourcewell RFP No.031622 Athletic Turf and Tracks with Installation, Related Equipment Materials and Supplies

Hellas Construction, Inc.

Pricing is ceiling pricing for surfaces only on a prepared base.
Pricing includes material and labor unless otherwise noted.
Pricing does not include taxes, shipping, bonds or prevailing wages. Pricing includes Davis Bacon wages for Travis County, Texas.

SUPPLY & INSTALL SYNTHETIC TURF up to 2 1/2" pile height - Based on areas equal to or greater than 80,000sf - STANDARD GREEN ONLY - INFILL, LINES, LETTERS, LOGOS, ETC. PRICED SEPERATELY BELOW

For Areas 30,000 SF to 79,999 SF - Multiply unit price for turf, infill and/or pad by 1.3

For Areas less than 30,000 SF - Multiply unit price for turf, infill and/or pad by 3

Item Number	Item Description	Product Name	UNIT	List Price	% Discount	Not to Exceed Price
1 TF	Up to 52 oz monofilament synthetic turf	Matrix	SF	$ 5.00	-2.50%	$ 4.87
2 TF	53-80 oz monofilament synthetic turf multipurpose	Matrix	SF	$ 5.85	-2.50%	$ 5.70
3 TF	60 oz monofilament synthetic turf with nylon thatch zone	Matrix TV 60 with nylon thatch	SF	$ 5.65	-2.50%	$ 5.51
4 TF	60 oz monofilament synthetic turf with P/E thatch zone	Matrix TV 60 with polyethyelene thatch	SF	$ 5.40	-2.50%	$ 5.26
5 TF	UP to 52 oz blended slit film and monofilament synthetic turf	Fusion	SF	$ 5.00	-2.50%	$ 4.88
6 TF	Up to 52 oz blended slit film XP and monofilament synthetic trf	Fusion XP2	SF	$ 5.15	-2.50%	$ 5.02
7 TF	UP to 50 oz slit film fiber synthetic turf	Velocity	SF	$ 4.85	-2.50%	$ 4.73
8 TF	UP to 50 oz slit film XP fiber synthetic turf	Velocity XP2	SF	$ 5.05	-2.50%	$ 4.92
9 TF	Synthetic Turf (min 63K sq ft)	Limonta Summer Plus 30	SF	$ 2.75	-2.50%	$ 2.68
10 TF	Synthetic Turf (min 47K sq ft)	Limonta Summer Plus 40	SF	$ 3.20	-2.50%	$ 3.12
11 TF	Removable synthetic turf system - 42-46 oz monofilament synthetic turf	Matrix Softop	SF	$ 8.35	-2.50%	$ 8.14
12 TF	UP to 30 oz slit film landscape/putting green turf with sand infill	Grasso Landscape	SF	$ 4.15	-2.50%	$ 4.05
13 TF	Synthetic Turf	Limonta Max S	SF	$ 4.50	-2.50%	$ 4.39
14 TF	42 oz monofilament synthetic turf for BB/SB	Matrix Baseball/Softball	SF	$ 4.50	-2.50%	$ 4.39
15 TF	42 oz monofilament synthetic turf for BB/SB	Matrix Baseball/Softball with Helix technology	SF	$ 5.10	-2.50%	$ 4.97
16 TF	80 oz monofilament high density synthetic turf for baseball/softball	Matrix High Density for Baseball/Softball	SF	$ 5.60	-2.50%	$ 5.46
17 TF	Up to 70 oz monofilament	Matrix Real	SF	$ 5.55	-2.50%	$ 5.41

18 TF	UP to 60 oz monofilament synthetic turf for field hockey	Matrix Aerial	SF	$ 5.65	-2.50%	$ 5.51
19 TF	60 oz monofilament with thatch	Matrix Kickabout	SF	$ 4.55	-2.50%	$ 4.44
20 TF	50 oz monofilament landscape synthetic turf	Grasso Sportscape	SF	$ 5.05	-2.50%	$ 4.92
21 TF	30 oz slit film landscape/putting green turf with sand infill	Grasso Landscape	SF	$ 4.15	-2.50%	$ 4.05
22 TF	Blended monofilament slit film synthetic turf for Baseball/Softball	Major Play Fusion	SF	$ 4.70	-2.50%	$ 4.58
23 TF	Monofilament synthetic turf for Baseball/Softball	Major Play Matrix	SF	$ 4.70	-2.50%	$ 4.59
24 TF	Baseball/Softball high traffic areas turf	Major Play High Traffic	SF	$ 7.30	-2.50%	$ 7.12
25 TF	Up to 80 oz monofilament synthetic turf	Matrix Real Grass	SF	$ 6.05	-2.50%	$ 5.90
26 TF	Up to 80 oz monofilament synthetic turf	Plaza Turf	SF	$ 6.05	-2.50%	$ 5.90
	OPTIONS to ADD TO ABOVE (For smaller areas, add then apply multiplier above)					
27 TF	Add Helix Technology to Matrix	Hellas/Matrix	SF	$ 0.80	-2.50%	$ 0.78
28 TF	Add for color other than green	Custom color	SF	$ 0.30	-2.50%	$ 0.29
29 TF	Add PE thatch to any product	Thatch (PE)	SF	$ 0.70	-2.50%	$ 0.68
30 TF	Add Nylon thatch to any product	Thatch (Nylon)	SF	$ 0.90	-2.50%	$ 0.88
31 TF	Make any turf product removable	SofTop	SF	$ 3.35	-2.50%	$ 3.27
32 TF	Add for pile height greater than 2 1/2" but less than or equal to 3"	Pile hieght	SF	$ 0.90	-2.50%	$ 0.88
	SUPPLY & INSTALL TURF INFILL (For smaller areas, apply mutlipler above)					
Item Number	**Item Description**	**Product Name**	**UNIT**	**List Price**	**% Discount**	**Not to Exceed Price**
33 TF	Sand/Pea Gravel and Rubber	RealFill	SF	$ 1.55	-2.50%	$ 1.51
34 TF	Coated Crumb Rubber	Coated Crumb Rubber	SF	$ 1.60	-2.50%	$ 1.56
35 TF	Crumb Rubber	Genan	SF	$ 1.10	-2.50%	$ 1.07
36 TF	Organic infill (Cork, Coconut Fiber) ***Pad Required***	GeoPlus	SF	$ 3.25	-2.50%	$ 3.17
37 TF	Vinyl TPU / cellulose fibers	EcoTherm	SF	$ 5.25	-2.50%	$ 5.12
38 TF	EPDM Rubber Infill	Target	SF	$ 3.00	-2.50%	$ 2.93
39 TF	Silica Sand ***Landscape Turf Only***	Target	SF	$ 0.70	-2.50%	$ 0.68
40 TF	Coated Silica Sand ***Pad Required***	US Green Thechnologies	SF	$ 1.90	-2.50%	$ 1.85
41 TF	Cork Infill	EcoCork	SF	$ 4.30	-2.50%	$ 4.19
42 TF	Organic infill fibers from shell of a cocount	n/a	SF	$ 3.20	-2.50%	$ 3.12
43 TF	Cryogenic rubber	Cryogenic rubber	SF	$ 1.75	-2.50%	$ 1.71
44 TF	Silica pea gravel	Pea Gravel	SF	$ 0.70	-2.50%	$ 0.68
45 TF	Natural Rubber, Cellulose Fibers and RealFill	The Natural Infill	SF	$ 3.10	-2.50%	$ 3.02

46 TF	Cork, Recylced Cellulose with organic binder and Realfill	Ecotherm Plus	SF	$ 4.40	-2.50%	$ 4.29
47 TF	TPU Vinyl	TPU Vinyl	SF	$ 5.40	-2.50%	$ 5.27
48 TF	Wood Infill	Wood Infill	SF	$ 2.35	-2.50%	$ 2.29
49 TF	Wood Infill	Elia Renufill	SF	$ 2.35	-2.50%	$ 2.29
50 TF	Elia/Ecotherm blend	Thermoblend	SF	$ 4.62	-2.50%	$ 4.50
	SUPPLY & INSTALL SHOCK PADS					
Item Number	**Item Description**	**Product Name**	**UNIT**	**List Price**	**% Discount**	**Not to Exceed Price**
51 TF	19mm Paved in Place Shock Pad	Hellas/Cushdrain	SF	$ 2.95	-2.50%	$ 2.88
52 TF	25mm Paved in Place Shock Pad	Hellas/Cushdrain	SF	$ 3.70	-2.50%	$ 3.61
53 TF	Shock Pad	The Wave	SF	$ 2.11	-2.50%	$ 2.06
54 TF	Up to 25mm Shock Pad	Brock /NexxPad	SF	$ 3.25	-2.50%	$ 3.17
55 TF	25mm Shock Pad	Soteria	SF	$ 3.25	-2.50%	$ 3.17
56 TF	10mm Shock Drain	Gmax Drain	SF	$ 2.15	-2.50%	$ 2.10
57 TF	10 mm Shock Drain	Limonta	SF	$ 2.35	-2.50%	$ 2.29
58 TF	14mm Shock Pad	Brock SP 14	SF	$ 2.30	-2.50%	$ 2.24
59 TF	25mm Shock Pad	Brock/Power Base YSR	SF	$ 3.85	-2.50%	$ 3.75
60 TF	25mm Shock Pad	Brock/Power Base Pro	SF	$ 3.95	-2.50%	$ 3.85

SUPPLY & INSTALL SYNTHETIC TURF FIELD MARKINGS						
Item Number	Item Description	Product Name	UNIT	List Price	% Discount	Not to Exceed Price
61 TF	Football - 4 inch perimeter lines, five-yard lines shall be done in accordance with the turf manufacturer's instructions and specifications. The individual project's design drawings shall comply with national and state sport organizations, national associations and industry standards.	Hellas	Per Field	$ 8,610.00	-2.50%	$ 8,394.75
62 TF	Soccer - 4 inch perimeter lines, midfield line, center circle, penalty area , penalty mark, goal area and coner kick shall be done in accordance with the turf manufacturer's instructions and specifications. The individual project's design drawings shall comply with national and state sport organizations, national associations and industry standards.	Hellas	Per Field	$ 18,700.00	-2.50%	$ 18,232.50
63 TF	Inlaid numbers and arrows	Hellas	Per Field	$ 11,500.00	-2.50%	$ 11,212.50
64 TF	End-Zone letter inlaid - one color 15 feet high	Hellas	Each Letter	$ 2,700.00	-2.50%	$ 2,632.50
65 TF	End-Zone letters inlaid - two or more colors 15 feet high	Hellas	Each Letter	$ 3,455.00	-2.50%	$ 3,368.63
66 TF	End-Zone letterpainted - one color up to 15 feet high	N/A	Each Letter	$ 2,120.00	-2.50%	$ 2,067.00
67 TF	End-Zone letters painted - two or more colors up to 15 feet high	N/A	Each Letter	$ 3,175.00	-2.50%	$ 3,095.63
68 TF	Colored end zone (Color other than Green)	Hellas	Each	$ 10,430.00	-2.50%	$ 10,169.25
69 TF	Center Field logo inlaid - one color (max size 30' x 30')	Hellas	Each	$ 15,500.00	-2.50%	$ 15,112.50
70 TF	Center field logo inlaid - two or more colors (max size 30' x 30')	Hellas	Each	$ 19,100.00	-2.50%	$ 18,622.50
71 TF	Center field logo inlaid -one color (max size 60' x 60')	Hellas	Each	$ 31,000.00	-2.50%	$ 30,225.00
72 TF	Center field logo inlaid - two or more colors (max size 60' x 60')	Hellas	Each	$ 34,560.00	-2.50%	$ 33,696.00
73 TF	Center field logo inlaid -one color (max size 90' x 90')	Hellas	Each	$ 105,025.00	-2.50%	$ 102,399.38
74 TF	Center field logo inlaid - two or more colors (max size 90' x 90')	Hellas	Each	$ 108,700.00	-2.50%	$ 105,982.50
75 TF	Center Field logo painted - one color (max size 30' x 30')	N/A	Each	$ 9,525.00	-2.50%	$ 9,286.88
76 TF	Center field logo painted - two or more colors (max size 30' x 30')	N/A	Each	$ 12,700.00	-2.50%	$ 12,382.50
77 TF	Field exterior perimter border inlaid - one color 3 feet wide	Hellas	Per Field	$ 6,790.00	-2.50%	$ 6,620.25
78 TF	Special Field logo inlaid - one color 1,000 square feet maximum	Hellas	Each	$ 18,225.00	-2.50%	$ 17,769.38
79 TF	Special Field logo inlaid - two or more colors 1,000 square feet maximum	Hellas	Each	$ 21,500.00	-2.50%	$ 20,962.50
80 TF	Hashmarks - Inlaid	Hellas	Per Set	$ 15,750.00	-2.50%	$ 15,356.25

81 TF	Football Tick Marks	Hellas	Per Set	$ 9,700.00	-2.50%	$ 9,457.50
82 TF	Soccer Tick Marks	Hellas	Per Set	$ 7,900.00	-2.50%	$ 7,702.50
83 TF	Field Hockey Lines - Inlaid	Hellas	Set of Lines	$ 15,840.00	-2.50%	$ 15,444.00
84 TF	Lacrosse Lines - Mens Inlaid	Hellas	Per Set	$ 15,840.00	-2.50%	$ 15,444.00
85 TF	Lacrosse Lines - Womens - Inlaid	Hellas	Per Set	$ 15,840.00	-2.50%	$ 15,444.00
86 TF	Soccer Lines	Hellas	Per Set	$ 15,840.00	-2.50%	$ 15,444.00
87 TF	Baseball Lines	Hellas	Per Set	$ 8,145.00	-2.50%	$ 7,941.38
88 TF	Softball Lines	Hellas	Per Set	$ 5,115.00	-2.50%	$ 4,987.13
89 TF	Flag Football Lines	Hellas	Per Set	$ 9,500.00	-2.50%	$ 9,262.50
90 TF	Rugby Lines	Hellas	Per Set	$ 15,840.00	-2.50%	$ 15,444.00
91 TF	Media line	Hellas	Per Field	$ 14,020.00	-2.50%	$ 13,669.50
	SECTION V MAINTENANCE ACCESSORIES/PRODUCT ONLY					
Item Number	**Item Description**	**Product Name**	**UNIT**	**List Price**	**% Discount**	**Not to Exceed Price**
92 TF	Water Reel System (Booster Pump not Included)	KIFCO/Water Reel B110	Each	$ 38,500.00	-2.50%	$ 37,537.50
93 TF	Tractor	Kubota/BX2370	Each	$ 25,000.00	-2.50%	$ 24,375.00
94 TF	Tow behind ground driven field sweeper	CleanSweep	Each	$ 15,500.00	-2.50%	$ 15,112.50
95 TF	Turf groomer	GreensGroomer	Each	$ 10,000.00	-2.50%	$ 9,750.00
96 TF	Organic infill groomer	Geo-Groom	Each	$ 10,000.00	-2.50%	$ 9,750.00
97 TF	Tow behind magnet	LitterKat	Each	$ 2,715.00	-2.50%	$ 2,647.13
98 TF	Field sweeper harness		Each	$ 1,815.00	-2.50%	$ 1,769.63
99 TF	Emergency turf repair kit	N/A	Each	$ 455.00	-2.50%	$ 443.63
	TURF WARRANTY					
Item Number	**Item Description**	**Product Name**	**UNIT**	**List Price**	**% Discount**	**Not to Exceed Price**
100 TF	Standard 8 Year Warranty (Included)	N/A	Each	$ -	-2.50%	$ -
101 TF	Additional Warranty Per Year	N/A	Each	$ 23,100.00	-2.50%	$ 22,522.50
102 TF	3rd Party Insured Warranty	N/A	Each	$ 4,740.00	-2.50%	$ 4,621.50
	SYNTHETIC TURF GROOMING MAINTENANCE AND TESTING					
Item Number	**Item Description**	**Product Name**	**UNIT**	**List Price**	**% Discount**	**Not to Exceed Price**
103 TF	GMAX Testing	N/A	Each	$ 2,500.00	-2.50%	$ 2,437.50
104 TF	Grooming of the turf surface per manufacturers' specifications based on 80,000 SF	N/A	Per visit	$ 6,500.00	-2.50%	$ 6,337.50

105 TF	Repair damaged turf to manufacturer's specifications.	N/A	SF	$ 7,000.00	-2.50%	$ 6,825.00
106 TF	Site inspection and investigation.	N/A	Per Hour	$ 2,500.00	-2.50%	$ 2,437.50
107 TF	Remove spots and stains per manufacturer's specifications.	N/A	SF	$ 6,200.00	-2.50%	$ 6,045.00
108 TF	Clean drainage system of unwanted foreign materials to include, but not limited to, leaves, weeds, unwanted vegetation, sand and any other debris that will affect the performance of the drainage system, ACO trench drain.	N/A	LF	$ 8.00	-2.50%	$ 7.80
109 TF	Turf Maintenance One Visit. Based on 80,000 SF	N/A	Per Visit	$ 9,000.00	-2.50%	$ 8,775.00
110 TF	Care and maintenance orientation	N/A	Per Visit	$ 3,500.00	-2.50%	$ 3,412.50
111 TF	Two-person repair crew, materials not included	N/A	Per 8 hr Day	$ 3,500.00	-2.50%	$ 3,412.50
112 TF	Clean Sweep - based on 80,000 SF	N/A	Lump sum	$ 9,355.50	-2.50%	$ 9,121.61
113 TF	Clean O3 Disinfection Service	Covo Killer	Lump Sum	$ 10,000.00	-2.50%	$ 9,750.00
114 TF	Turf Sanitation Machine	Clean O3 Machine	Each	$ 28,500.00	-2.50%	$ 27,787.50
	REMOVAL OF EXISTING TURF					
Item Number	**Item Description**	**Product Name**	**UNIT**	**List Price**	**% Discount**	**Not to Exceed Price**
115 TF	Removal and disposal of existing turf - 0-10,000 sq. ft.	N/A	SF	$ 1.01	-2.50%	$ 0.98
116 TF	Removal and disposal of existing turf - 10,001 to 25,000 sq. ft.	N/A	SF	$ 0.91	-2.50%	$ 0.89
117 TF	Removal and disposal of existing turf - 25,001 to 50,000 sq. ft.	N/A	SF	$ 0.83	-2.50%	$ 0.81
118 TF	Removal and disposal of existing turf - 50,001 to 100,000 sq. ft.	N/A	SF	$ 0.75	-2.50%	$ 0.74
	CURBING AND NAILER					
119 TF	Concrete Curbing 4"x4"	N/A	LF	$ 40.00	-2.50%	$ 39.00
120 TF	Asphalt Curbing	N/A	LF	$ 25.00	-2.50%	$ 24.38
121 TF	Nailer board for synthetic turf (100 recycled material)	EcoNailer	LF	$ 13.50	-2.50%	$ 13.16
122 TF	Removal of existing nailer board	n/a	LF	$ 4.00	-2.50%	$ 3.90

	Aggregate Base					
123 TF	Pre-Engineered sub-base and drainage for field including eccavation, scarify and recompact 6" of existing subgrade, storm water system, liner, drainage stone, curbs and nailer.	Pre-Engineered sub-base and drainage for field including eccavation, scarify and recompact 6" of existing subgrade, storm water system, liner, drainage stone, curbs and nailer.	SF	$ 8.00	-2.50%	$ 7.80

TRACK

Hellas Construction, Inc. Sourcewell RFP No.031622 Athletic Turf and Tracks with Installation, Related Equipment Materials and Supplies

Hellas Construction, Inc.

Pricing is ceiling pricing for surfaces only on a prepared base.
Base construction and related work can be priced using RS Means not to be exceeded.
Pricing includes material and labor unless otherwise noted.
Pricing does not include taxes, shipping, bonds or prevailing wages. Pricing includes Davis Bacon wages for Travis County, Texas.

Supply Running Track Surfaces - RED or BLACK SURFACE COLOR ONLY

Item Number	Item Description	Product Name	UNIT	List Price for areas 4,500 SY and greater	% Discount	Not to Exceed Price for areas 4,500 SY and greater	Between 1,500 SY and 4,500 SY with 2.5% discount	300 sy to 1,500 SY with 2.5% discount
1TK	Paved in place 1/2" layered latex bound SBR rubber surface	Hellas/Granuflex	SY	$ 54.00	-2.50%	$ 52.65	$ 90.01	$ 201.12
2TK	Paved in place 3/8" layered latex bound SBR rubber surface	Hellas/Granuflex	SY	$ 46.00	-2.50%	$ 44.85	$ 92.87	$ 201.12
3TK	Permeable paved in place 13mm polyurethane bound SBR rubber base mat running track surface	Hellas/epiQ® 100	SY	$ 37.50	-2.50%	$ 36.56	$ 71.29	$ 233.70
4TK	Permeable paved in place 13mm polyurethane bound (Red) EPDM rubber base mat running track surface	Hellas/epiQ® 100	SY	$ 80.00	-2.50%	$ 78.00	$ 117.11	$ 266.44
5TK	Permeable 13mm paved in place polyurethane base mat (SBR) with structural spray running track surface	Hellas/epiQ® S200	SY	$ 58.00	-2.50%	$ 56.55	$ 85.04	$ 254.21
6TK	Impermeable 13mm paved in place polyurethane base mat with structural spray running track surface	Hellas/epiQ® V300	SY	$ 66.00	-2.50%	$ 64.35	$ 91.12	$ 259.78
7TK	Impermeable 13mm paved in place polyurethane base mat sandwich system	Hellas/epiQ® X1000	SY	$ 102.50	-2.50%	$ 99.94	$ 132.04	$ 309.22
8TK	Impermeable 10mm full pour polyurethane running track surface	Hellas/epiQ® Q3000	SY	$ 99.00	-2.50%	$ 96.53	$ 129.93	$ 306.26
9TK	Impermeable 13mm full pour polyurethane running track surface	Hellas/epiQ® G4000	SY	$ 112.00	-2.50%	$ 109.20	$ 141.91	$ 309.64
10TK	Impermeable 15 mm full pour polyurethane running track surface	Hellas/epiQ® Z5000	SY	$ 114.00	-2.50%	$ 111.15	$ 161.57	$ 329.72
11TK	Custom color (epiQ® S200)	n/a	SY	$ 6.00	-2.50%	$ 5.85	$ 18.31	$ 21.26
12TK	Custom color (epiQ® V300)	n/a	SY	$ 3.00	-2.50%	$ 2.93	$ 18.92	$ 21.97
13TK	Custom color (epiQ® X1000)	n/a	SY	$ 10.00	-2.50%	$ 9.75	$ 16.00	$ 18.56
14TK	Custom color (epiQ® Q3000)	n/a	SY	$ 10.75	-2.50%	$ 10.48	$ 16.91	$ 19.64
15TK	Custom color (epiQ® G4000)	n/a	SY	$ 22.50	-2.50%	$ 21.94	$ 16.96	$ 19.69
16TK	Custom color (epiQ® Z5000)	n/a	SY	$ 24.50	-2.50%	$ 23.89	$ 22.29	$ 25.88
17TK	Add for encapsulated surface	n/a	SY	$ 4.25	-2.50%	$ 4.14	$ 17.28	$ 17.28

RE-TOP Running Track Surfaces - RED or BLACK SURFACE COLOR ONLY

Item Number	Item Description	Product Name	UNIT	List Price	% Discount	Not to Exceed Price	Between 1,500 SY and 4,500 SY	300 sy to 1,500 SY
18TK	To Re-top a permeable paved in place polyurethane base mat (SBR) with structural spray running track include all material	Hellas/epiQ® S200 Re-top	SY	$ 26.50	-2.50%	$ 25.84	$ 39.10	$ 47.79
19TK	To Re-top an impermeable paved in place polyurethane base mat with structural spray running track include all material	Hellas/epiQ® V300 Re-top	SY	$ 39.00	-2.50%	$ 38.03	$ 55.98	$ 68.42
20TK	3 mm polyurethane Re-top for a paved in place polyurethane base mat sandwich system	Hellas/epiQ® X1000 Re-top	SY	$ 55.00	-2.50%	$ 53.63	$ 91.39	$ 106.13
21TK	4 mm polyurethane Re-top for a paved in place polyurethane base mat sandwich system	Hellas/epiQ® X1000 Re-top	SY	$ 58.50	-2.50%	$ 57.04	$ 97.26	$ 112.94
22TK	5 mm polyurethane Re-top for a paved in place polyurethane base mat sandwich system	Hellas/epiQ® X1000 Re-top	SY	$ 62.00	-2.50%	$ 60.45	$ 103.92	$ 120.68
23TK	7 mm polyurethane Re-top for a paved in place polyurethane base mat sandwich system	Hellas/epiQ® X1000 Re-top	SY	$ 71.50	-2.50%	$ 69.71	$ 120.93	$ 140.43
24TK	Custom color (epiQ® S200 Re-top)	n/a	SY	$ 6.00	-2.50%	$ 5.85	$ 18.31	$ 21.26
25TK	Custom color (epiQ® V300 Re-top)	n/a	SY	$ 6.00	-2.50%	$ 5.85	$ 19.78	$ 22.97
26TK	Custom color (epiQ® X1000 3mm Re-top)	n/a	SY	$ 8.75	-2.50%	$ 8.53	$ 16.72	$ 19.41
27TK	Custom color (epiQ® X1000 4mm Re-top)	n/a	SY	$ 11.20	-2.50%	$ 10.92	$ 17.68	$ 20.53
28TK	Custom color (epiQ® X1000 5mm Re-top)	n/a	SY	$ 7.70	-2.50%	$ 7.51	$ 17.73	$ 20.59
29TK	Custom color (epiQ® X1000 7mm Re-top)	n/a	SY	$ 14.75	-2.50%	$ 14.38	$ 23.30	$ 27.06

STRIPING RUNNING TRACK

Item Number	Item Description	UNIT	List Price	% Discount	Not to Exceed Price
30TK	Striping of latex track surface (6-8 lanes) (No certification included)	Lump Sum	$ 18,000.00	-2.50%	$ 17,550.00
31TK	Striping of structually sprayed track surface (6-8 lanes) (No certification included)	Lump Sum	$ 18,000.00	-2.50%	$ 17,550.00
32TK	Striping of poured polyurethane track surface (6-8 lanes) (No certification included)	Lump Sum	$ 22,000.00	-2.50%	$ 21,450.00
33TK	Striping of Additional lane (No certification included)	Per Additional Lane	$ 3,520.00	-2.50%	$ 3,432.00

MATERIALS ONLY

Item Number	Item Description	UNIT	List Price	% Discount	Not to Exceed Price
34TK	Polyurethane Track patching kit - epiQ® 100 (Small - 1 SY Coverage)	Each	$ 695.00	-2.50%	$ 677.63
35TK	Polyurethane Track patching kit - epiQ® 100 (Large - 9 SY Coverage)	Each	$ 1,150.00	-2.50%	$ 1,121.25
36TK	Polyurethane Track patching kit - epiQ® S200 (Small - 1 SY Coverage)	Each	$ 1,150.00	-2.50%	$ 1,121.25
37TK	Polyurethane Track patching kit - epiQ® S200 (Large - 9 SY Coverage)	Each	$ 1,730.00	-2.50%	$ 1,686.75
38TK	Polyurethane Track patching kit - epiQ® V300 (Small - 1 SY Coverage)	Each	$ 1,200.00	-2.50%	$ 1,170.00
39TK	Polyurethane Track patching kit - epiQ® V300 (Large - 9 SY Coverage)	Each	$ 2,100.00	-2.50%	$ 2,047.50
40TK	Polyurethane Track patching kit - epiQ® X1000 (Small - 1 SY Coverage)	Each	$ 1,300.00	-2.50%	$ 1,267.50
41TK	Polyurethane Track patching kit - epiQ® X1000 (Large - 9 SY Coverage)	Each	$ 2,565.00	-2.50%	$ 2,500.88

RUNNING TRACK WARRANTY AND MAINTENANCE						
Item Number	Item Description		UNIT	List Price	% Discount	Not to Exceed Price
42TK	Standard 5 Year Warranty (Included)		EACH	$ -	-2.50%	$ -
43TK	Additional Warranty Per Year		EACH	$ 25,000.00	-2.50%	$ 24,375.00
44TK	Track Maintenance /Cleaning		Per Trip	$ 14,500.00	-2.50%	$ 14,137.50
REMOVAL OF EXISTING SURFACE						
45TK	Removal of exissting track surface	N/A	SY			$ 3.70
Track Drainage						
Item Number	Item Description		UNIT	List Price	% Discount	Not to Exceed Price
46tk	Slot channel drain system - Offset Slot		LF	$ 34.50	-2.50%	$ 33.64
47tk	Slot channel drain system - Middle Slot		LF	$ 24.00	-2.50%	$ 23.40
48TK	Open channel trench drain system with plastic ADA grates		LF	$ 38.25	-2.50%	$ 37.29
49TK	Open channel trench drain system with ductile iron grates		LF	$ 58.00	-2.50%	$ 56.55
50TK	Open channel trench drain system with ductile iron ADA grates		LF	$ 63.00	-2.50%	$ 61.43
51TK	Catch basin for slot channel drain system - Offset Slot		LF	$ 175.00	-2.50%	$ 170.63
52TK	Catch basin for slot channel drain system - Middle Slot		LF	$ 184.00	-2.50%	$ 179.40
53TK	Catch basin for open channel trench drain system with plastic ADA grates		Each	$ 205.00	-2.50%	$ 199.88
54TK	Catch basin for open channel trench drain system with ductile iron grates		Each	$ 235.00	-2.50%	$ 229.13
55TK	Catch basin for open channel trench drain system with ductile iron ADA grates		Each	$ 245.00	-2.50%	$ 238.88
CERTIFICATIONS						
Item Number	Item Description		UNIT	List Price	% Discount	Not to Exceed Price
56TK	Class 5 ASBA Certification		Per Track	$ 110.00	-2.50%	$ 107.25
57TK	Class 4 ASBA Certification		PerTrack	$ 4,100.00	-2.50%	$ 3,997.50
58TK	Class 3 ASBA Certification		Per Track	$ 16,500.00	-2.50%	$ 16,087.50
59TK	Class 2 IAAF Certification		Per Track	$ 71,300.00	-2.50%	$ 69,517.50
60TK	Class 1 IAAF Certification		Per Track	$ 87,120.00	-2.50%	$ 84,942.00
61TK	Conversion from 20 meter to 30 meter exchange zones		Per Track	$ 58,400.00	-2.50%	$ 56,940.00

COURTS

Hellas Construction, Inc. Sourcewell RFP No.031622 Athletic Turf and Tracks with Installation, Related Equipment Materials and Supplies

Hellas Construction, Inc.

Pricing is ceiling pricing for surfaces only on a prepared base.
Base construction and related work can be priced using RS Means not to be exceeded.
Pricing includes material and labor unless otherwise noted. Pricing does not include taxes, shipping, bonds or prevailing wages. Pricing includes Davis Bacon wages for Travis County, Texas.

Existing Court Preparation, Cleaning and Repair

Item Number	Item Description	Product Name	UNIT	List Price	% Discount	Not to Exceed Price
1TS	Crack repair system	Riteway	LF	$ 29.25	-2.50%	$ 28.52
2TS	Crack repair system	Rhino Fill	LF	$ 7.10	-2.50%	$ 6.92
3TS	Crack repair system	Fiberglass	LF	$ 7.30	-2.50%	$ 7.12
4TS	Power Wash	n/a	Per Court	$ 3,865.00	-2.50%	$ 3,768.38
6TS	Replace Caulking	n/a	LF	$ 17.25	-2.50%	$ 16.82
7TS	Patching existing stable asphalt/concrete base, prior to installation of	n/a	SF	$ 20.00	-2.50%	$ 19.50

Tennis Court Surfacing

Item Number	Item Description	Product Name	UNIT	List Price	% Discount	Not to Exceed Price
8TS	Standard Tennis Court 3-coat acrylic surfacing	TPS 5000 by Hellas	SF	$ 2.35	-2.50%	$ 2.29
9TS	Standard Tennis Court 2-coat acrylic surfacing	TPS 5000 by Hellas	SF	$ 2.20	-2.50%	$ 2.15
10TS	Premium color (add to above)	TPS 5000 by Hellas	SF	$ 1.25	-2.50%	$ 1.22

Markings / Lines for TENNIS OR BASKETBALL COURTS

Item Number	Item Description	UNIT	List Price	% Discount	Not to Exceed Price
12TS	Singles Tennis Court	Per Court	$ 905.00	-2.50%	$ 882.38
13TS	Doubles Tennis Court	Per Court	$ 1,000.00	-2.50%	$ 975.00
14TS	Restriping Singles Tennis Court	Per Court	$ 1,150.00	-2.50%	$ 1,121.25
15TS	Restriping Doubles Tennis Court	Per Court	$ 1,250.00	-2.50%	$ 1,218.75
16TS	Beat wall serving line 2"	LF	$ 20.00	-2.50%	$ 19.50
17TS	10 and under blended lines	Per Court	$ 670.00	-2.50%	$ 653.25

Basketball Court Surfacing

Item Number	Item Description	Product Name	UNIT	List Price	% Discount	Not to Exceed Price
18TS	Basketball Court 3-coat acrylic surfacing system	TPS 5000 by Hellas	SF	$ 4.15	-2.50%	$ 4.05
19TS	Basketball Court 2-coat acrylic surfacing color	TPS 5000 by Hellas	SF	$ 3.65	-2.50%	$ 3.56

Markings / Lines for BASKETBALL COURTS

Item Number	Item Description	UNIT	List Price	% Discount	Not to Exceed Price
20TS	Half court basketball court	Per Court	$ 850.00	-2.50%	$ 828.75
21TS	Basketball Court	Per Court	$ 1,080.00	-2.50%	$ 1,053.00
22TS	Restriping Basketball Court	Per Court	$ 1,295.00	-2.50%	$ 1,262.63

Markings / Lines for Volleyball and Pickleball

23TS	Volleyball Court	Per Court	$ 850.00	-2.50%	$ 828.75
24TS	Restriping Volleyball Court	Per Court	$ 1,080.00	-2.50%	$ 1,053.00
25TS	Pickleball Court	Per Court	$ 700.00	-2.50%	$ 682.50

LOGOS

Item Number	Item Description	UNIT	List Price	% Discount	Not to Exceed Price
26TS	Court Logo > 8'x8' - 2 colors (minimum 2 logos)	Per logo	$ 3,755.00	-2.50%	$ 3,661.13
27TS	Court Logo < 8'x8' - 2 colors (minimum 2 logos)	Per logo	$ 2,350.00	-2.50%	$ 2,291.25
28TS	Court Logo > 8'x8' - 3 colors (minimum 2 logos)	Per logo	$ 4,350.00	-2.50%	$ 4,241.25
29TS	Court Logo < 8'x8' - 3 colors (minimum 2 logos)	Per logo	$ 2,585.00	-2.50%	$ 2,520.38
30TS	Court Logo > 8'x8' - 4 colors (minimum 2 logos)	Per logo	$ 5,050.00	-2.50%	$ 4,923.75
31TS	Court Logo < 8'x8' - 4 colors (minimum 2 logos)	Per logo	$ 3,050.00	-2.50%	$ 2,973.75
32TS	Windscreen logo full color embossed	SF	$ 32.00	-2.50%	$ 31.20
33TS	Windscreen logo sewn on	SF	$ 18.00	-2.50%	$ 17.55
34TS	Logo on cabana bench canvas shade - one color	SF	$ 29.50	-2.50%	$ 28.76

Warranties and Maintenance					
Item Number	Item Description	UNIT	List Price	% Discount	Not to Exceed Price
35TS	Standard One Year Warranty (included)	1 year	$ -	-2.50%	$ -
36TS	Additional Year on Warranty Paint surface only)	1 year	$ 4,500.00	-2.50%	$ 4,387.50

MOBILIZATION/MISC.

Hellas Construction, Inc. Sourcewell RFP No.031622 Athletic Turf and Tracks with Installation, Related Equipment Materials and Supplies

Hellas Construction, Inc.				
Item Description	**UNIT**	**List Price**	**% Discount**	**Member Not to Exceed Price**
Mobilization/Demobilization	Lump Sum	$28,000.00	-2.50%	$27,300.00
Surveying/Staking	Per Field	$ 7,500.00	-2.50%	$7,312.50
Construction Entrance	Each	$ 15,000.00	-2.50%	$14,625.00
Design Fees	% of CV	6.5%	-2.50%	6%

Hellas Construction, Inc. Sourcewell RFP No.031622 Athletic Turf and Tracks with Installation, Related Equipment Materials and Supplies
Hellas Construction, Inc.

All other labor and materials priced according to latest version of RS Means Facilities Cost Book using the Total Overhead and Profit column subject to the multipliers/coeffcients below in addition to location factors applicable to the deisgnated price book.

RS MEANS

Category	Coefficient/Multiplier
Normal Working Hours	1
Other than normal working hours	1.2
Non-pre priced Items	
Maximum markup coefficient on materials and labor on non-pre-priced products or services not expressly listed in this RFP but ancillary to the products and services offered herein.	1.2

AGENDA ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
March 6, 2024

Agenda Item:

Project Manager Services Contract

Background:

The Village has a very busy upcoming construction schedule with projects that have been long in the planning process. We are at that point where our construction activity will be increasing dramatically. We are looking at several septic-to-sewer projects, improvements on the Estero-on-the-River property, and upgrades at the new Sports Park. Each of these is complicated by a variety of funding sources, including State and Federal Grants.

The Village has committed to the approach of limited government which has been beneficial in keeping our tax rate among the lowest in the State, with no debt, very limited staff, and a solid financial framework. However, with a limited staff, execution of the previously mentioned projects is very difficult. As a result, the approach of engaging a management services firm to coordinate these construction projects is believed to be in the best interest of the Village.

The primary role of the firm will be to execute the build-out of the Sports Entertainment district including the pickleball facility and the "High 5" developments. This project is a "public-private partnership" with private development occurring on Village-owned property.

Additionally, the firm will provide all oversight of the Sports Park development at Estero High School. The initial phase of this project will include the upgrade of the High School football field with artificial turf. This phase is scheduled to begin immediately, subject to Village Council approval. The second phase of this project is in the planning stage to include the upgrade of the tennis courts, construction of two or three covered basketball courts, two or three pickleball courts, and related infrastructure. This phase should proceed rapidly through the planning process and be ready for Council approval in the second half of the year.

Description:

Proposed is a management services contract with Vieste LLC for the provision of project management services for the broad range of projects being implemented by the Village. The contract would be for a monthly lump sum of under $60k per month. The term of the contract is open-ended, when the projects are complete the Village may terminate the agreement for any reason with 60 days' notice.

This approach is consistent with the way that the Village has operated in the past. We utilize outside firms for the provision of engineering, landscape design, survey, permitting and a variety of other specialized services in lieu of hiring permanent staff. Once the projects are complete the service agreements are terminated and the Villages' costs end. While this approach is costly in the short term it avoids the need to hire a wide range of specialists in areas where we have only limited term needs. This flexibility is invaluable in helping us maintain a very active project completion timeline.

The Vieste firm has been utilized by the Village for the past several months as we advance the public-private partnership on the Williams Road Sports Entertainment District. The Vieste firm has a current national client base working with cities and universities on similar types of projects. The firm was originally based in Chicago and relocated to this area several years ago. The principal of the firm, Michael Comparato, is a resident of Estero.

Action Requested:

Motion to approve the attached Professional Services agreement with Vieste, LLC.

Process and Timeline:

The contract would be initiated immediately and all previous agreements with the firm would be cancelled and folded into this engagement.

Financial Impact:

Funds for this contract are included in the budget.

Prepared by: Steve Sarkozy

Attachments:

1. Proposed Vieste LLC Management Services Contract

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this **1st day of April 2024** ("Effective Date"), by and between the Village of Estero, a Florida municipal corporation, whose address is 9401 Corkscrew Palms Circle, Estero, Florida 33928 ("CLIENT"), and VIESTE, LLC, an Indiana Limited Liability Company registered and authorized to engage in business in Florida, ("PROGRAM MANAGER"), with offices at 27299 Riverview Center Boulevard, Suite 200, Bonita Springs, FL 34134 (collectively referred to herein as the "Parties").

WHEREAS, CLIENT has chosen to undertake a series of projects that require additional professional staff support to execute (hereinafter referred to as "PROJECTS"); and

WHEREAS, CLIENT does not have existing professional staff expertise or availability to execute the PROJECTS and given its government lite operating model prefers not to hire such staff; and

WHEREAS, the services the CLIENT seeks are in the nature of professional services, and § 2-181(3) of the Village Code provides that contracts for professional services are exempt from competitive selection; and

WHEREAS, CLIENT is aware that VIESTE, LLC, which has a multi-state practice and which maintains offices within the Village's metropolitan area, has substantial experience in providing similar services to other private and local government clients, and is therefore uniquely qualified to provide the services sought; and

WHEREAS, PROGRAM MANAGER has indicated it has, and intends to maintain the capacity to provide the necessary staffing resources, including the ability to provide the CLIENT with a Client Services Director, a full-time Senior Project Manager, a part-time Associate Project Manager, and associated administrative support staff, all who will be accessible to the CLIENT on either an exclusive or priority basis; and

WHEREAS, CLIENT therefore desires to contract with PROGRAM MANAGER to work with CLIENT'S staff to provide professional expertise, oversight, assistance and execution of CLIENT'S PROJECTS and PROGRAM MANAGER desires to be so engaged; and

WHEREAS, the Parties have negotiated the terms and conditions contained in this Agreement, and have agreed to them; and

NOW, THEREFORE, in consideration of the premises aforesaid and of the mutual covenants and undertakings hereinafter provided, the Parties hereto agree as follows:

I. SERVICES

PROGRAM MANAGER will represent CLIENT and assist CLIENT in the development of the PROJECTS with tasks described on the Scope of Services in **Attachment A**. The Scope of Services may be revised from time to time upon mutual written agreement between CLIENT and PROGRAM MANAGER. Such future revisions of the Scope of Services shall be by amendment to this Agreement, and shall be incorporated herein and controlled by the terms of this Agreement.

II. PROJECTS

The current PROJECTS for which PROGRAM MANAGER'S services will be used are identified and described in **Attachment B**. These PROJECTS may contain multiple sub-tasks/projects as directed by CLIENT or suggested by PROGRAM MANAGER. In addition to these currently-known PROJECTS, the CLIENT may assign PROGRAM MANAGER to provide services within the Scope of Services under this Agreement related to additional or future PROJECTS during the Term of this Agreement.

III. PROGRAM MANAGER'S RESPONSIBILITIES

PROGRAM MANAGER shall, subject to the terms and provisions of this AGREEMENT:

- Appoint one or more individuals who shall be authorized to act on behalf of PROGRAM MANAGER and with whom CLIENT may consult at all reasonable times. Subject to PROGRAM MANAGER'S status as an independent contractor as set forth in § VII of this Agreement, CLIENT is authorized to provide PROGRAM MANAGER with instructions, requests, deadlines, and parameters related to PROJECTS.

- Assign staff to perform the services who possess the experience, credentials, licenses and abilities to perform the assigned work without close daily oversight by CLIENT'S staff or officials.

- Maintain all required licenses and certifications necessary to perform the services.

- Perform all services under this Agreement in accordance with local, state, and federal laws which are applicable to such services.

- Promptly communicate to CLIENT any developments related either to the PROJECTS or the PROGRAM MANAGER'S status which may reasonably create delay, additional costs, legal or financial exposure, or negative community/public relations.

- Provide for its own office space, transportation, and communication and technology tools and resources. Notwithstanding the foregoing, to facilitate meetings with Village

officials and other relevant parties, the Village Manager may authorize, request, or require Village conference rooms, offices, or other Village or community facilities be used to conduct meetings related to the PROJECTS.

- Use all reasonable efforts to complete the services necessary to accomplish the PROJECTS within the time mutually agreed upon, except for reasons beyond its control.

- Perform the services in accordance with generally accepted standards in existence at the time of performance of services.

- While PROGRAM MANAGER may provide advice and recommendations on such matters, it shall not be responsible for the provision of any third-party professional resources required to advance PROJECTS, or to provide any capital resources to fund fees, expenses and costs related to the advancement of PROJECTS.

IV. CLIENT'S RESPONSIBILITIES

CLIENT shall at such times as may be required for the successful and expeditious completion of the services:

- Provide all criteria and information as to CLIENT'S requirements and designate a person with authority to act on CLIENT'S behalf on all matters concerning the services.

- Furnish the PROGRAM MANAGER all existing studies, reports, and other available data pertaining to the services and obtain additional reports, data and services as may be required for the project. PROGRAM MANAGER may be entitled to rely upon all such information, data, and the results of such other services in performing the services hereunder.

- Consider PROGRAM MANAGER'S recommendations regarding the necessity or advisability of engaging any third-party professional resources required to advance PROJECTS, which PROGRAM MANAGER does not have the capability or expertise to directly provide.

V. COMPENSATION AND TERMS OF PAYMENT

The terms of compensation and payment are as follows:

As of the Effective Date, CLIENT will pay PROGRAM MANAGER a monthly Program Management Fee of **$59,300**, which fee shall pay for the services performed by the PROGRAM MANAGER staff set forth in the Staff Matrix depicted in **Attachment C**. Invoices requesting

payment shall be submitted to the Village Finance Department (please email all billing invoices to: accountspayable@estero-fl.gov) for processing. Disputed invoices will be resolved pursuant to the dispute resolution process set forth in Florida Statutes § 218.70 through § 218.80 (the Local Government Prompt Payment Act). All undisputed invoices will be due and payable on or before the 10th business day of each month for the prior months' work.

Reimbursable Expenses will be billed monthly at actual expense in addition to the Program Management Fee. Expenses will include, but not be limited to, travel, entertainment, document delivery, technology expenses directly related to the services rendered under this Agreement. No expenses will be incurred or billed without prior consent from CLIENT. Copies of receipts sufficient to allow the Village to review or audit expenses will be provided by PROJECT MANAGER if requested.

VI. TERM AND TERMINATION

The Term of this Agreement shall begin on the Effective Date, and shall continue through to the earlier of the completion of the PROJECTS described in **Attachment A**, or the termination of the Agreement as provided for below.

This Agreement may be terminated for convenience by either Party with 90 day written notice to the non-terminating Party. In the event CLIENT determines, in its sole discretion, that PROGRAM MANAGER has substantially failed to perform in accordance with the terms of this Agreement, or has gone into bankruptcy or receivership, or has lost its ability to conduct business within Florida, the CLIENT may terminate the Agreement should PROGRAM MANAGER not cure the alleged breach that is capable of remedy within twenty days upon eing notified by CLIENT.

In the event of termination, all undisputed invoices of PROGRAM MANAGER shall be paid for work performed or approved expenses incurred through the date of the termination.

VII. INDEPENDENT CONTRACTOR

PROGRAM MANAGER shall be an independent contractor with respect to the services to be performed hereunder. Neither PROGRAM MANAGER nor any of its sub-PROGRAM MANAGERS, nor the employees of either, shall be deemed to the servants, employees, or agents of CLIENT. PROGRAM MANAGER will be solely responsible for (a) compensating any sub-PROGRAM MANAGERS and providing compensation and benefits to its employees, (b) determining the means and methods of performing the professional services, and (c) providing its employees the tools necessary to perform the services.

VIII. INDEMNIFICATION AND PRESERVATION OF IMMUNITY

Each Party hereby agrees to fully indemnify and hold harmless the other, its officers, employees, and agents from and against any and all claims, losses, costs, expenses, actions and causes of action, including reasonable attorney's fees at all levels, arising out or by reason of any damage or injury to persons or property suffered or claimed to have been suffered, by any intentional, reckless or negligent act or omission of the indemnifying Party, its directors, officers, employees, or agents in the carrying out of the terms and conditions of this Agreement. Nothing herein shall be interpreted as a waiver by the Village of Estero of its rights, including the procedural requirements and limited waiver of immunity, as set forth in Florida Statutes § 768.28, or any other statute, and the Village expressly reserves these rights to the full extent allowed by law.

IX. PUBLIC RECORDS COMPLIANCE

The PROGRAM MANAGER shall comply with all applicable requirements contained in the Florida Public Records Law, including but not limited to any applicable provisions in Florida Statutes § 119.0701. Pursuant to that statute, the PROGRAM MANAGER shall:

(a) Keep and maintain public records required by the CLIENT to perform the Services provided hereunder.

(b) Upon request from the CLIENT'S custodian of public records, provide the CLIENT with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.

(c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed, except as authorized by law for the duration of the term of this Agreement and following completion of this Agreement if the PROGRAM MANAGER does not transfer the records to the CLIENT.

(d) Upon completion of the Agreement, transfer, at no cost, to the CLIENT all public records in the possession of the PROGRAM MANAGER or keep and maintain public records required by the Village to perform the service. If the PROGRAM MANAGER transfers all public records to the Village upon completion of the Agreement, the PROGRAM MANAGER shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the PROGRAM MANAGER keeps and maintains public records upon completion of the Agreement, it shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the CLIENT, upon request from the CLIENT'S custodian of

public records, in a format that is compatible with the information technology systems of the CLIENT.

If the PROGRAM MANAGER fails to comply with the requirements in this Section, the CLIENT may enforce these provisions in accordance with the terms of this Agreement. If the PROGRAM MANAGER fails to provide the public records to the CLIENT within a reasonable time, it may be subject to penalties under Florida Statutes § 119.10.

IF THE PROGRAM MANAGER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE PROGRAM MANAGER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE ESTERO VILLAGE CLERK (CUSTODIAN OF PUBLIC RECORDS) AT 239-221-5035, records@estero-fl.gov, OR VILLAGE HALL, 9401 CORKSCREW PALMS CIRCLE, ESTERO, FL 33928.

X. NOTICES

Notices required or permitted in this Agreement shall be deemed to have been given when received if hand delivered or when deposited in the U.S. mail, certified and return receipt requested, to the following Party representatives at the addresses listed in the introductory paragraph to this Agreement:

If to CLIENT: Village Manager

If to PROGRAM MANAGER: Chairman & CEO

XI. IMMIGRATION COMPLIANCE; E-VERIFY

PROGRAM MANAGER acknowledges that it is responsible for complying with the provisions of the Immigration Reform and Control Act of 1986, U.S.C. § 1324, et seq., and regulations relating thereto. Failure to comply with the above statutory provisions shall be considered a material breach and shall be grounds for immediate termination of this Agreement. The PROGRAM MANAGER's employment of unauthorized aliens is a violation of § 274(e) of the Federal Immigration and Employment Act. The PROGRAM MANAGER shall utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired during the term of this Agreement, and shall require the same verification procedure of any approved subcontractors authorized by the CLIENT.

Pursuant to Florida Statutes § 448.095(5), PROGRAM MANAGER shall register with and use the E-Verify system to verify the work authorization status of all newly hired employees. PROGRAM

MANAGER's contract with the CLIENT cannot be renewed unless, at the time of renewal, PROGRAM MANAGER certifies in writing to the CLIENT that it has registered with and uses the E-Verify system. If PROGRAM MANAGER enters into a contract with a subcontractor to perform services under this Agreement, the subcontractor must provide the PROGRAM MANAGER with an affidavit stating that the subcontractor does not employ, contract with, or subcontract with an unauthorized alien and PROGRAM MANAGER shall maintain a copy of such affidavit for the duration of the contract. If PROGRAM MANAGER develops a good faith belief that any subcontractor with which it is contracting has knowingly violated Florida Statutes § 448.09(1) (making it unlawful for any person knowingly to employ, hire, recruit, or refer, either for herself or himself or on behalf of another, for private or public employment within the state, an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States) PROGRAM MANAGER shall terminate the contract with the subcontractor. If the CLIENT develops a good faith belief that PROGRAM MANAGER has knowingly violated Florida Statutes § 448.09(1) (making it unlawful for any person knowingly to employ, hire, recruit, or refer, either for herself or himself or on behalf of another, for private or public employment within the state, an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States) the CLIENT shall terminate this Agreement. Pursuant to Florida Statutes § 448.095(5)(c)(3), termination under the above-circumstances is not a breach of contract and may not be considered as such.

XII. MISCELLANEOUS

Merger: This Agreement constitutes the entire agreement between the Parties hereto and supersedes any oral or written representations, understandings, proposals, or communications heretofore entered into by or on account of the Parties and may not be changed, modified, or amended except in writing signed by the Parties hereto. In the event of any conflict between this Agreement and any of the Attachments hereto, the terms of and provisions of this Agreement shall control. In the event of any conflict among the exhibits, the exhibit first listed shall control.

No Conflict: CLIENT represents that its engagement of PROGRAM MANAGER to perform the services is not in breach of, or otherwise in violation of, any known contract, restriction, or covenant between CLIENT and any third party.

Assignment and Subcontracting: The CLIENT expects that the work performed under this Agreement shall be performed by staff and executives of PROGRAM MANAGER. PROGRAM MANAGER understands that the nature of the services to be provided under this Agreement are highly specialized and the CLIENT will rely heavily on the specific training, licensure, experience, and industry knowledge of the staff to be assigned to perform the services. Therefore, PROGRAM MANAGER may not assign, transfer, subcontract, or encumber this Agreement or any right or interest in this Agreement, and may not assign any person or entity other than PROGRAM MANAGER or its staff and executives to perform work under this Agreement, without the express prior written consent of the Village Manager. In the event experienced staff referred to herein no longer works for PROGRAM MANAGER or PROGRAM MANAGER ceases to assign

such staff to perform the services required in this Agreement, the CLIENT may, in its sole discretion, terminate the Agreement.

Governing Law; Venue; Attorney Fees. This Agreement shall be governed by the laws of the State of Florida. In the event any litigation arises between the parties in connection with this Agreement, venue for such litigation shall lie exclusively in Lee County, Florida. In any civil, administrative, bankruptcy, or other proceeding concerning this Agreement, each Party shall pay all of their own costs, attorneys' fees and expenses, including all costs, fees, and expenses incurred in any administrative hearing, trial, appeal, and mediation, notwithstanding the outcome of those proceedings. Each Party hereby waives any award of attorney fees it might otherwise recover as the prevailing Party in such proceedings.

Damages Limited: In no event shall either Party be liable to the other for indirect or consequential damages, including, but not limited to, loss of use, loss of profit or interruption of business, whether arising in contract, tort (including negligence), statute or strict liability, or special, indirect, incidental, punitive or exemplary damages or expenses.

No Third-Party Beneficiary: This Agreement is for the benefit of the Parties and their respective successors and permitted assigns, and the Parties confirm that in entering this Agreement, they do not intend for it to benefit any other third party.

Project Information: The Parties understand that they may work with others to concurrently pursue similar PROJECTS outside of this Agreement. No non-public information regarding PROJECTS contemplated under this Agreement will be shared with those other third parties unless expressly disclosed and approved in advance, in writing.

Proprietary Information: CLIENT represents that its engagement of PROGRAM MANAGER to perform the services does not infringe upon, or otherwise in violation of, any intellectual property right held by any third party.

Amendments: This Agreement may be modified, amended or extended only by written amendment executed by authorized representatives of both Parties.

Headings: All sections and descriptive headings of paragraphs in this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

Severability: In the event that any term of this Agreement is adjudged by a court of competent jurisdiction to be invalid, such adjudication shall not affect or nullify the remaining terms thereof, nor shall it result in the failure of the Agreement unless the court finds that the remainder of the Agreement cannot be enforced absent the stricken term.

Authority to Execute: Each Party hereto covenants to the other Party that it has lawful authority to enter into this Agreement and that the Party's representative executing same is authorized to do so on behalf of the Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their authorized representatives.

CLIENT:	**PROGRAM MANAGER:**
Village of Estero	**VIESTE, LLC**
By:_____	By:_____
Steve Sarkozy	Michael Comparato
Village Manager	Chairman and Chief Executive Officer

ATTACHMENT A
SCOPE OF SERVICES

PROGRAM MANAGEMENT:

- Serve as an exclusive consultant for Village Manager.
- Oversee and drive all major projects initiated by the Village, including:
    - Sports & Entertainment Campus – Village Center Hub
    - Sports Park Campus – Village Center Hub
    - River North Campus
    - Ecological Campus
    - Hertz Arena Campus
    - Re-branding initiative with Vitalink
    - Village Economic Development website portal
- Attend, moderate, and document weekly progress meetings.
- Attend public and stakeholder meetings at the discretion of the Village Manager.
- Prepare and present all staff reports.
- Maintain all project control elements, including the document management system, project team directory, scheduling, and budgeting.
- Primary responsibility for all reporting, pay applications, and project accounting.
- Primary responsibility for assembly and oversight of the project team.
- Primary responsibility for securing and entering into definitive agreements with all project partners. (i.e., private developers, tenants, operators, etc.)

CONSULTING:

- Assist in facilitating development projects initiated by private developers, including:
    - Woodfield
    - Northpoint
    - Via Coconut
    - Marketplace

FINANCING:

- Coordinate the development of a plan of finance for each Project, assisting Director of Finance as needed.
- Liaise with the project finance team including municipal advisor, underwriters, and bond counsel, among others.
- Support the Village Manager in developing incentive funding.
- Support the Village Manager in securing infrastructure funding.
- Lead and direct naming rights, sponsorship, and strategic partner funding.
- Primary responsibility for structuring all public/private partnerships and funding models.

- Primary responsibility for all financial reporting and forecasting.

PROJECT DEVELOPMENT OVERSIGHT & ASSISTANCE:

- Primary responsibility for planning, budgeting, procurement, and design oversight for all onsite and offsite infrastructure.
- Support the Village Manager in all discussions with federal, state, and county transportation departments.
- Work with Village staff and other utilities companies as directed by Village Manager

SPORTS & ENTERTAINMENT:

- Primary responsibility for programming, budgeting, and forecasting for development of sports & entertainment components.
- Primary responsibility for securing and entering into definitive agreements with all project partners. (i.e., private developers, tenants, operators, etc.)
- Collaborate with private tenant operators in securing content providers and programming.
- Primary responsibility for programming, budgeting, and staffing ongoing asset management of sports, entertainment, and mixed-use projects.

ATTACHMENT B
PROJECT DESCRIPTION

PROGRAM MANAGEMENT:

- Sports & Entertainment Campus – Village Center Hub
- Sports Park Campus – Village Center Hub
- River North Campus
- Ecological Campus
- Hertz Arena Campus
- Re-branding initiative with Vitalink
- Village Economic Development website portal

CONSULTING:

- Woodfield
- Northpoint
- Via Coconut
- Marketplace
- Others as directed by the Village Manager.

ATTACHMENT C
STAFF MATRIX

- Principal In Charge/Client Services Director
- Senior Project Manager
- Associate Project Manager
- Project Accounting Coordinator
- Marketing/Communications/Graphics Staff and Expenses
- Administrative Support Staff

AGENDA ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
March 6, 2024

Agenda Item:

Approval of Ordinance No. 2024-01 regarding Village financial responsibility and management standards policies.

Background:

Historically, Village financial and management policies have been scattered amongst different documents and legislative actions. It is Village management's intent to consolidate all financial and management policies into one comprehensive document (outside of those in the Charter). Along with the investment policy ordinance and procurement policy ordinance, these three policies will act as the guiding financial and management documents for the Village.

The Management and Financial Policy Statements, adopted through Ordinance by the Village Council, provide guidelines to Village staff in managing the organization and planning finances. Some policy statements are driven by requirements of State law or Village Charter, while others are formally documented through policies and procedures. Statements that are driven by legal requirements will be noted as such.

A summary of the policy is below:

Section 1 Accounting, Auditing, and Financial Reporting:

The Village will establish and maintain the highest standards of accounting practices in conformance with generally accepted accounting principles (GAAP) and comply with all statutory and legal requirements. The village will prepare and present reports that analyze and evaluate the Village's financial condition.

Section 2 Consultants

The Village will employ qualified financial advisors and consultants as needed in the administration and management of the Village's financial functions. These areas include but are not limited to audit services, debt administration, and financial modeling. The Village shall implement evaluation criteria for each financial consultant to ensure the Village receives the highest quality services available.

Section 3 Budget and Long-Range Planning

The Village will establish budget guidelines to encourage and maintain operations under the government-lite approach. These guidelines will allow the budget to serve as the culmination of the Village's annual planning, implementation, and evaluation process. Additionally, a long-range financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets.

Section 4 Fund Balances and Reserves

The Village will maintain the fund balance of the various operating funds and related reserves at levels sufficient to protect the Village's creditworthiness as well as its financial position during emergencies or economic fluctuations. Should the budgeted fund balance drop below the minimum identified by the policy below, the Village will establish a plan to replenish the balances to the minimum level in subsequent years.

There are five categories of Fund Balance in all governmental funds, not all will always be present. The categories are defined below:

1. Non-spendable- cannot be spent due to being non-spendable in form or the Village being legally or contractually required to maintain this amount intact. For example, inventories and prepaid amounts are considered non-spendable.
2. Restricted- balances are subject to external restrictions from creditors, grantors, contributors, or laws of other governments.
3. Committed- use of funds is only for specific purposes as determined by Village Council.
4. Assigned- intended use of balances for specific purposes is established by the Village Council or delegated to the Village Manager that is neither restricted or committed and includes the remaining positive balance of all governmental funds.
5. Unassigned- excess funds that have not been classified in the previous four categories for the general fund. This category represents the portion of fund balance which is not obligated or specifically designated and is available for general purposes. Unassigned fund balance would also include deficit residual balances for any governmental funds after reporting amounts as restricted, committed, or assigned fund balances. Deficit amounts cannot be reported for restricted, committed, or assigned fund balances in any fund.

The Village proposes to keep the following reserves:

General Fund Committed Fund Balance – Emergency Reserve: The minimum level for the Emergency Reserve is 50% of General Fund budgeted expenditures less transfers out and any uses of fund balances.

General Fund Committed Fund Balance – Operating Reserve: The minimum level for the Operating Reserve is 20% of General Fund budgeted expenditures less transfers out and any uses of fund balances.

General Fund Assigned Fund Balance – Litigation Reserve: The minimum level for the Litigation Reserve is $750,000. Given the geographical area is prone to legal challenges, these funds are to be used in the event legal action is taken, or, conversely, in an instance where the Village seeks a legal remedy to protect the public interest.

General Fund Assigned Fund Balance – Major Road Maintenance Reserve: The Major Road Maintenance Reserve was established in fiscal year 2019-2020 with an initial contribution of $300,000 with 3% annual growth adjustments, unless directed otherwise by supermajority Council approval of an Ordinance amendment.

Section 5 Capital Expenditures and Improvements

The Village will review and monitor the state of the Village's capital equipment and infrastructure annually, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

Section 6 Debt

The Village will establish guidelines for debt financing that will provide needed facilities, land, capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

Section 7 Expenditures and Services

The Village will identify services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of those services.

Section 8 Cash Management and Investments

The Village will maintain the Village's cash in such a manner so as to ensure the absolute safety of principal, to meet the liquidity needs of the Village, and to achieve the highest possible yield in compliance section 218.14 of Florida Statues and the Village's Investment Policy, as adopted by the Village Commission.

Section 9 Grants

The Village will seek, apply for, and effectively administer federal, state and local grants, which support the Village's current priorities and policy objectives.

Section 10 Cybersecurity Risk Management

The Village will maintain and execute policy and procedures for safeguarding electronic information and systems throughout Estero. These guidelines will protect the rights of citizens and employees and to fully comply with Village policies and with State and Federal laws.

Section 11 Performance Management

The Village shall create a Strategic Plan that identifies the strategic goals with corresponding key performance indicators (KPI) to help monitor and achieve the strategic goals.

Section 12 Management Structure and Operating Standards

The Village will develop and maintain a management structure and operating standards that adhere to the principles of "government-lite" while providing forward-thinking, efficient, and transparent municipal operations.

Action Requested:

Motion to Pass first reading of Ordinance No. 2024-01 and set second reading for March 20, 2024.

Process and Timeline:

If Ordinance is adopted on first reading, a public hearing date will be set for the second reading.

Financial Impact:

The Ordinance brings the Village's financial and management rules in line with best practices and existing statutes, and improves the efficiency of the Village's finance and management function. Therefore, there is no fiscal impact related to the Ordinance's adoption.

Prepared by: Kevin Greenville, CPA

Attachments:

1. Ordinance No. 2024-01
2. Village of Estero Financial Responsibility and Management Standards Policy

3. Village of Estero Financial Responsibility and Management Standards Presentation

ORDINANCE NO. 2024 - 01

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF ESTERO, FLORIDA, AMENDING ARTICLE IV (FINANCE) OF CHAPTER 2 OF THE VILLAGE OF ESTERO CODE TO CREATE ENHANCED FINANCIAL RESPONSIBILITY AND MANAGEMENT STANDARDS; MAKING RELATED FINDINGS; AND PROVIDING FOR SEVERABILITY, CODIFICATION AND AN EFFECTIVE DATE.

WHEREAS, one of the founding principles of the Village of Estero was to ensure the financial resources of the Village residents should be used in the most fiscally responsible manner possible; and

WHEREAS, section 1(d) of the Village Charter provides that the Charter's intent is, in part, to maintain a financially secure and sustainable municipal government and to responsibly manage the Village's debt obligations without causing the state to incur any liability; and

WHEREAS, section 4(6)(c) of the Village Charter provides that the Council may not adopt any compensation plan for municipal employees or officers that incurs unfunded liabilities or adopt a defined benefit plan but may only adopt a defined contribution plan; and

WHEREAS, section 5(1)(d)(5) provides that the Village Manager must submit the annual budget, budget message, and capital program to the Council; keep the Council fully advised as to the financial condition and future needs of the Village; and make such recommendations to the Council concerning the affairs of the Village as the Village Manager deems appropriate; and

WHEREAS, section 8(2) of the Village Charter provides that the Village Manager shall submit to the Council an annual budget which must outline the financial policies of the Village for the ensuing fiscal year; describe the important features of the budget; indicate any major changes from the current year in financial policy, including any changes in budgetary accounting methods from the current year's expenditures and revenues together with the reasons for such changes; and summarize the Village's debt position; and

WHEREAS, section 8(3) of the Village Charter provides that the budget shall provide a complete financial plan of all village funds and activities for the ensuing fiscal year and, except as required by law or the Charter, shall be in such form as the Village Manager deems desirable or the Council may require for effective management and an understanding of the relationship between the budget and the Village's strategic goals; and

WHEREAS, this same section requires that the budget must begin with a clear general summary of its contents; shall show in detail all estimated revenue, indicating the proposed property tax levy, and all proposed expenditures, including debt service, for the ensuing fiscal year; and shall be so arranged as to show comparative figures for actual and estimated revenue and

expenditures of the current fiscal year and actual revenue and expenditures of the preceding fiscal year; and

WHEREAS, this same section also provides that the budget shall contain separate sections which note:

- The proposed goals and expenditures for the current operations during the ensuing fiscal year, detailed for each fund by department or by other organizational unit, and by program, purpose, or activity; methods of financing such expenditures; and methods to measure outcomes and performance related to the goals.

- Proposed longer-term goals and capital expenditures during the ensuing fiscal year, detailed for each fund by department or by other organization unit when practical, the proposed method of financing each such capital expenditure, and the methods used to measure outcomes and performance related to the goals.

- The proposed goals, anticipated revenue and expenses, and profit and loss for the ensuing year for each utility or other enterprise fund or internal service fund operated by the village, and methods to measure outcomes and performance related to goals. For any fund, the total of proposed expenditures shall not exceed the total of estimated revenue plus carried forward fund balances exclusive of required reserves.

WHEREAS, section 8(6)(c) of the Charter addresses reductions of appropriations by requiring that, if, at any time during the fiscal year, it appears probable to the Village Manager that the revenues or fund balances available will be insufficient to finance the expenditures for which appropriations have been authorized, the Manager shall report to the Council without delay, indicating the estimated amount of the deficit, any remedial action taken by the Manager; and

WHEREAS, section 8(6)(e) of the Charter provides that no appropriation for debt service may be reduced or transferred, and no appropriations may be reduced below any amount required by law to be appropriated, or by more than the unencumbered balance thereof; and

WHEREAS, section 8(8) of the Charter provides that the Council shall provide for an annual independent audit of all Village accounts and pursuant to general law may provide for more frequent audits as it deems necessary, such audits to be conducted by a certified public accountant or a firm of such accountants who have no personal interest, direct or indirect, in the fiscal affairs of the Village government or in any of its officers; and

WHEREAS, in addition to these Charter provisions related to fiscal responsibility, § 2-150 to § 2-153 of the Village Code set forth several financial reserve rules related to Village operations; and

WHEREAS, notwithstanding the foregoing provisions, the Village desires to adopt further financial responsibility regulations to ensure the long-term financial stability and health of the Village government, thereby ensuring the Village of Estero can continue to faithfully provide the best and most financially responsible stewardship of the public funds it administers; and

WHEREAS, pursuant to that aim, the Village Manager has proposed the revisions to the Village's financial regulations set forth in this Ordinance; and

WHEREAS, the Village Council has considered the provisions set forth in this Ordinance and finds that they are in the best interests of the Village and its taxpayers.

NOW, THEREFORE, be it ordained by the Village Council of the Village of Estero, Florida:

Section 1. Article IV (Finance) of Chapter 2 (Administration) of the Village Code is hereby amended as follows:

ARTICLE IV. – FINANCE AND MANAGEMENT

DIVISION 1. – GENERALLY

Sec. 2-118. - Fees and charges; to be established by resolution.

Nothing in the Code or the ordinance adopting this cCode shall repeal any fee or charge imposed by the Vvillage and all fees and charges shall be as established by resolution.

Secs. 2-119—2-149. - Reserved.

DIVISION 2. – RESERVE AND FINANCIAL RESPONSIBILITY POLICIESV

Sec. 2-150. – EFund balances and reserve policies established.

(a) The Vvillage hereby establishes and shall maintain a reserve policy the fund balance of the various operating funds and related reserves at levels sufficient to protect the village's creditworthiness as well as its financial position during emergencies or economic fluctuations. Should the budgeted fund balance drop below the minimum identified by the policy below, the village will establish a plan to replenish the balances to the minimum level in subsequent years.

(1) The adoption of a reserve policy by the Vvillage will assist in ensuring the fiscal well being of the Vvillage by establishing a minimum level at which reserves are to be maintained or increased, as well as the mechanisms by which the policy may be amended, which are critical to the continued delivery of services to citizens of and the visitors to the Vvillage.

(2) The Vvillage desires to maintain prudent levels of financial resources to guard its stakeholders against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted expenses. In addition, this policy is intended to document the appropriate reserve levels to protect the Vvillage's credit worthinesscreditworthiness.

(b) There are five categories of fund balance in all governmental funds, not all will always be present. The categories are defined below:

(1) Non-spendable- cannot be spent due to being non-spendable in form or the village being legally or contractually required to maintain this amount intact. For example, inventories and prepaid amounts are considered non-spendable.

(2) Restricted- balances are subject to external restrictions from creditors, grantors, contributors, or laws of other governments.

(3) Committed- use of funds is only for specific purposes as determined by village council.

(4) Assigned- intended use of balances for specific purposes is established by the council or delegated to the village manager that is neither restricted or committed and includes the remaining positive balance of all governmental funds.

(5) Unassigned- excess funds that have not been classified in the previous four categories for the general fund. This category represents the portion of fund balance which is not obligated or specifically designated and is available for general purposes. Unassigned fund balance would also include deficit residual balances for any governmental funds after reporting amounts as restricted, committed, or assigned fund balances. Deficit amounts cannot be reported for restricted, committed, or assigned fund balances in any fund.

(c) When both restricted and unrestricted funds are available for expenditure, restricted funds will be used first. When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

Sec. 2-151. – Authority to constrain amounts.

(a) Non-spendable funds are funds that cannot be spent because they are either not in spendable form (e.g. inventories and prepaids) or are legally or contractually required to be maintained intact.

(b) Restricted funds are funds that have constraints placed on their use either externally by creditors, grantors, contributors, laws or regulations or other government or by law through constitutional provisions or enabling legislation.

(c) Committed funds are funds that have constraints placed on their use by the council.

(d) Assigned funds are funds that have constraints placed on their use by the council or village manager.

Sec. 2-152. – Procedures to constrain.

The process through which amounts are committed or assigned is as follows:

(1) Committed – The council has the authority to set aside funds for a specific purpose. The use of any funds set aside as committed fund balance requires a super majority vote. The passage must take place prior to September 30th of the applicable fiscal year but the amount can be determined at a later date. Council action would also be required to modify or rescind the specific use or amount.

(2) Assigned – The council or the village manager has the authority to set aside funds for the intended use of a specific purpose. This act would be in the form of a resolution, written request or as part of the annual budget process. Assigned funds may be determined as part of the annual budget process. Upon passage of a budget ordinance where fund balance is used as a source to balance the budget, that amount shall be recorded as assigned fund balance. Any modification or rescission would be in a written notification to the finance director.

Sec. 2-153. – General fund committed fund balance; emergency reserve.

(a) These funds are to be held in a deep reserve, to be used in the event of a major natural disaster or a major economic downturn. The specific use of these funds shall be to protect the health, safety, and welfare of residents, cover costs of recovery to the village, and/or to ensure the immediate pay-back of any debt previously incurred by the village for such purposes. These funds are not intended for any operating or cash-flow purposes.

(b) The minimum level for the emergency reserve is 50% of general fund budgeted expenditures less transfers out and any uses of fund balances. The need to utilize the emergency reserve must be established by the village council or the village manager. If established by the manager, the specific need must be reported to the council at its next meeting. A budget amendment must be approved by the council. When such a need is recognized as part of the budget process, the need and amount will be documented as part of that process and adopted as part of the budget. When it becomes necessary for the village to draw funds from the emergency reserve, wherein the balance drops below the minimum level of 30% of general fund budgeted expenditures less transfers out and any uses of fund balances, the village will develop a plan to replenish the account to the minimum level from net revenue surpluses in subsequent fiscal year(s) until the balance is restored to the minimum level.

(c) Compliance with the provisions of the emergency reserve fund policy shall be reviewed as part of the annual budget adoption process, and the amounts to be assigned from available fund balance may be determined during this process.

(d) In case of an emergency, use of the emergency fund will be given preference over the operating reserve to help ensure continuing operations.

Sec. 2-154. - General fund committed fund balance - operating reserve.

(a) These funds are to be used to stabilize the operating budget from unforeseen events including natural disasters, emergency situations, sustained declines in real estate values and/or property tax collections, and spending requirements imposed by the state or federal government vital to maintain day to day operations.

(b) The minimum level for the operating reserve is 20% of general fund budgeted expenditures less transfers out and any uses of fund balances. The need to utilize the operating reserve must be established by the council or the manager. If established by the manager, the specific need must be reported to the council at its next meeting. A budget amendment must be approved by the council. When such a need is recognized as part of the budget process, the need and amount will be documented as part of that process and adopted as part of the budget. When it becomes necessary for the village to draw funds from the operating reserve, wherein the balance drops below the minimum level of 20% of general fund budgeted expenditures less transfers out and any uses of fund balances, the village will develop a plan to replenish the account to the minimum level from net revenue surpluses in subsequent fiscal year(s) until the balance is restored to the minimum level.

(c) Compliance with the provisions of the operating reserve fund policy shall be reviewed as part of the annual budget adoption process, and the amounts to be assigned from available fund balance may be determined during this process.

Sec. 2-155. - General fund assigned fund balance – litigation reserve.

(a) Given the geographical area is prone to legal challenges, these funds are to be used in the event legal action is taken, or, conversely, in an instance where the village seeks a legal remedy to protect the public interest.

(b) The minimum level for the Litigation Reserve is $750,000. The need to utilize the litigation reserve must be established by the village council or the village manager. If established by the manager, the specific need must be reported to the council at its next meeting. A budget amendment must be approved by the council. When such a need is recognized as part of the budget process, the need and amount will be documented as part of that process and adopted as part of the budget. When it becomes necessary for the village to draw funds from the litigation reserve, wherein the balance drops below the minimum level of $750,000, the village will develop a plan to replenish the account to the minimum level from net revenue surpluses in subsequent fiscal year(s) until the balance is restored to the minimum level.

(c) Compliance with the provisions of the litigation reserve fund policy shall be reviewed as part of the annual budget adoption process, and the amounts to be assigned from available fund balance may be determined during this process.

Sec. 2-156. - General fund assigned fund balance – major road maintenance reserve.

(a) The major road maintenace reserve was established in fiscal year 2019-2020 with an initial contribution of $300,000 with 3% annual growth adjustments, unless directed otherwise by supermajority council approval. The annual contribution was determined via calculation of road repair costs for each village road. Given the state's weather conditions, it has been determined that road repairs and resurfacing must occur every seventeen years, on every village road in order to ensure that the village's road network remains in quality condition.

(b) Annual contributions will be allocated to the major road maintenance reserve during the budget process and if not expended will be presented as projected ending fund balance as an addition to any reserve balance carried forward from the prior year. If all of the major road maintenance reserve funds are budgeted to be expended during the fiscal year, funding of the annual contribution will be completed in the following fiscal year during the budget process.

(c) Use of the major road maintenance reserve funds will be determined by the village manager, subject to the requirements of this section.

Sec. 2-157. – Use of fund balance and use of surplus.

(a) Fund balance/working capital shall be used only for emergencies, non-recurring expenditures/ expenses, or major capital purchases that cannot be accommodated through current year savings. Should such use reduce balances below the level established as the minimum for that fund, the request/decision to utilize said balances will include a plan to replenish funds to the minimum level in subsequent fiscal year(s).

(b) It is the intent of the village to use all surpluses generated to accomplish four goals: meeting reserve policies, avoidance of future debt, funding one-time capital and reduction of outstanding debt.

Sec. 2-158. – Interfund loans.

(a) Through the long-range financial planning process, the village may identify a short-term capital financing need that does not qualify for debt financing, and funds are available in other funds. An interfund loan is a loan from one fund to another that specifies repayment terms and requires approval by council. Interfund loans may not be used to support operating needs but are allowable for cash flow needs related to capital projects. The interfund loan shall be documented and defined as follows:

(1) Source of the Funding
(2) Use of the Funds (project)
(3) Maximum Amount
(4) Repayment Schedule
(5) Interest rate, if applicable

(b) The proposed interfund loan shall be identified during the annual budget and CIP process as a funding source. Any changes to repayment terms shall be approved by the council and clearly identified in the budget document.

Sec. 2-159. – General fund and debt service fund.

(a) Any surpluses realized in the general fund at year-end may be used first to meet policies set forth in this section. Excess surplus may then be used for the following purposes:

(1) Funding for replacement programs
(2) Contributions to reserves in excess of minimum policy requirements
(3) Retirement or refinancing of existing debt
(4) Funding capital improvement program projects

(b) The village shall maintain the debt service fund balance reserve as required by bond ordinances.

~~(3) This policy establishes the amounts the Village will maintain in, or contribute to, it's various reserve accounts, how the reserves will be funded, the conditions under which the reserves may be used and the replenishment requirements.~~

~~(4) The specifically adopted reserve accounts are as follows:~~

~~a. Operating Reserve.~~

~~b. Litigation Defense Reserve.~~

~~c. Major Road Maintenance Reserve.~~

~~The reserve allocation amounts can be used only for the specific purposes determined by this section.~~

~~(5) The reserve policy may be changed or lifted only by the Council taking the same formal action that imposed the constraint originally, which, in this case, is an ordinance approved by a supermajority vote of the entire Village Council. This must include publicly noticing and advertising the proposed change consistent with F.S. § 116.041(3)(a).~~

~~(6) Any ordinance approved, which calls for a reduction in the reserve level, must include a detailed plan for how the reserve will be replenished.~~

~~(7) The Operating Reserve, Litigation Defense Reserve, and Major Road Maintenance Reserve, once fully funded, are to be maintained at final intended levels and may be spent as provided herein. The fund levels may be increased above this required threshold at any time by the Village Council, without supermajority approval of an ordinance amendment.~~

~~(8) If the use of any of the reserve accounts is deemed to be completed or no longer necessary and is approved by supermajority Council approval of an ordinance amendment stipulating such, then the reserve account shall be closed.~~

(9) This division and attached policy may only be repealed or amended by an ordinance approved by a supermajority vote of the entire Village Council.

Sec. 2-151. Operating Reserve.

(a) *Accumulation of funds.* The following accumulation will be calculated and allocated during the budget process:

(1) Fiscal year 2018-2019: Reserves equal to, or greater than, ten months of budgeted operating expenses as calculated at time of budget adoption.

(2) Fiscal year 2019-2020:

a. Reserves equal to, or greater than, 12 months of budgeted operating expenses as calculated at time of budget adoption.

b. Reserves equal to or greater than 12 months of budgeted operating expenses is the intended final level for this Reserve, and it is intended that the Reserve, as provided herein, shall be maintained at this level, or higher, unless directed otherwise by a supermajority Council approval of an ordinance amendment which orders a change in this policy.

(b) *Use of funds.* The Operating Reserve funds are only to be used for the following:

(1) *Disaster response.* The term "disaster response" means a state of emergency as declared by the Village, State or County. Under these conditions, the funds may be used for the preservation of life and property within the Village.

(2) *Revenue interruption.* Revenue interruption may occur when the State, County or Village can no longer operate to provide revenue to the Village.

(3) *Debt reserve.* The term "debt reserve" means an amount of reserves that may be required as part of debt or loan agreement.

(4) *Budgeted to expend to provide funding in the event of an economic downturn.* For application of the reserve policy, a qualifying economic downturn is a drop in budgeted general fund revenue of ten percent or higher from the prior year budget.

Use of the Operating Reserve funds will be determined by the Village Manager.

(c) *Replenishment of funds.* In the event that funds are expended from the Operating Reserve, the fund will be replenished in the following fiscal year during the budget process, in accordance with an adopted plan, until funds are fully restored to 12 months of budgeted operating expenses.

(d) *Budget process and presentation.* Funds will be allocated to the Operating Reserve during the budget process and if not expended will be presented as projected ending fund balance. If funds are budgeted to be expended during the fiscal year, replenishment of the funds will be completed in the following fiscal year during the budget process.

Sec. 2-152. Litigation Defense Reserve.

(a) *Accumulation of funds.* The Litigation Defense Reserve was established at $670,000.00 for fiscal year 2018-2019. This is the intended final minimum level for this Reserve, and the Reserve shall be maintained at or above this level, unless directed otherwise by supermajority Council approval of an Ordinance amendment which orders a change in this policy.

(b) *Use of funds.*

(1) Funds may be expended from the Litigation Defense Reserve when the Village is a named party in an active lawsuit after having utilized its annual insurance contribution for such defense, if available. In addition, funds may be used for threatened litigation or to develop a settlement strategy designed to prevent extended litigation.

(2) These funds may be expended in the legal defense of the Village, and not for the legal defense of any individual official, staff member, or otherwise affiliated individual, as determined by the Village Manager.

Use of the Litigation Defense Reserve funds will be determined by the Village Manager.

(c) *Replenishment of funds.* In the event that funds are expended from the Litigation Defense Reserve, this fund will be replenished in the following fiscal year during the budget process, in accordance with an adopted plan, until funds are fully restored to the initial $670,000.00 level.

(d) *Budget process and presentation.* Funds will be allocated to the Litigation Defense Reserve during the budget process and if not expended will be presented as projected ending fund balance. If funds are budgeted to be expended during the fiscal year, replenishment of the funds will be completed in the following fiscal year during the budget process.

Sec. 2-153. Major Road Maintenance Reserve.

(a) *Accumulation of funds.* The Major Road Maintenance Reserve annual contribution will be $300,000.00 for fiscal year 2019-2020, with three percent annual growth adjustments, unless directed otherwise by supermajority Council approval of an Ordinance amendment which orders a change in this policy.

(b) *Use of funds.*

(1) Each fiscal year, the Village Staff may identify specific roads experiencing road surface deterioration, and initiate road resurfacing and/or mill and overlay projects to address the identified issues. In addition, funds may be expended in the event that resurfacing is recommended during a planned road improvement project.

(2) Use of the Major Road Maintenance Reserve funds will be determined by the Village Manager.

(c) *Replenishment of funds.* The Major Road Maintenance Reserve fund will be funded each fiscal year with an annual contribution of $300,000.00, which contribution shall be increased by three percent each year. In the event that funds are expended, the reserve will receive the next annual contribution in the following fiscal year during the budget process.

(d) *Budget process and presentation.* Annual contributions will be allocated to the Major Road Maintenance Reserve during the budget process and if not expended will be presented as

~~projected ending fund balance as an addition to any reserve balance carried forward from the prior year. If all of the Major Maintenance Reserve funds are budgeted to be expended during the fiscal year, funding of the annual contribution will be completed in the following fiscal year during the budget process.~~

~~(e) *Annual contribution calculation*. The annual contribution was determined via calculation of road repair costs for each Village road. Given the State's weather conditions, it has been determined that road repairs and resurfacing must occur every seventeen years, on every Village road, in order to ensure that the Village road network remains in excellent condition. By providing an annual allocation increase of three percent, the Village will retain sufficient funds in this reserve to maintain Village roads at an excellent level.~~

Sec. 2-160. Fiscal responsibility policy established.

The following fiscal responsibility policy is hereby established and shall be maintained:

(a) Accounting, auditing, and financial reporting

(1) *Purpose*. The village will establish and maintain the highest standards of accounting practices in conformance with generally accepted accounting principles (GAAP) and comply with all statutory and legal requirements. The village will prepare and present reports that analyze and evaluate the village's financial condition.

(2) *Accounting practices and principles*. The village will maintain accounting practices that conform to GAAP as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. All village financial documents, except monthly interim financial reports, including official statements accompanying debt issues, annual comprehensive reports and continuing disclosure statements will meet GASB standards. Monthly interim financial reports are on a cash basis and will be reported as budgeted.

(3) *Financial and management reports*. Monthly interim financial reports will be provided to management and the council. Village staff will, to the best of their ability, provide the report by the end of each month for the prior month. These reports will explain key economic and fiscal developments, note significant deviations from the budget, and track capital project costs.

(4) *Annual audit*.

(A) Pursuant to Florida Statutes § 218.39, the village shall have its accounts and records audited annually by an independent certified public accounting (CPA) firm, and it shall be completed within 9 months after the end of its fiscal year. It is the village's goal to submit the audit at the first village council meeting in May for approval. The audit firm shall provide a management letter to the village. The audit firm shall also provide a single audit of federal and state grants, when necessary.

(B) The objective of the audit of the financial statements by the independent auditor is the expression of an opinion on the fairness with which they present, in all material respects,

financial position, results of operations, and its cash flows in conformity with generally accepted accounting principles. The auditor has a responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements are management's responsibility. The auditor's responsibility is to express an opinion on the financial statements.

(C) An official Annual Comprehensive Report (ACR) shall be issued no later than six (6) months following the end of the fiscal year. The ACR shall be prepared to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting program through GFOA. This program establishes criteria that go beyond the minimum requirements for Generally Accepted Accounting Principles to prepare ACRs that evidence the spirit of transparency and full disclosure. Any audit findings and/or management comments will be reported to the council at a public meeting.

(5) *Continuing disclosure*. The village will provide disclosure in connection with the initial sale and distribution of its publicly marketed debt instruments. The finance director will ensure that the Municipal Securities Rulemaking Board's EMMA® website is current and all disclosures are filed timely with assistance from the village's municipal advisor and bond or disclosure counsel. EMMA® is the official repository for information on virtually all municipal securities. Continuing disclosure includes annual disclosure required within 180 days of fiscal year end, as well as material event disclosure required under the Securities and Exchange Council (SEC) Rule 15c2-12 within 10 days of the occurrence of the event.

(b) Financial consultants

(1) *Purpose*. The village will employ qualified financial advisors and consultants as needed in the administration and management of the village's financial functions. These areas include but are not limited to audit services, debt administration, and financial modeling. The village shall implement evaluation criteria for each financial consultant to ensure the village receives the highest quality services available. The factors in the selection of these consultants should include but may not be limited to experience, expertise, ability to perform, the services offered, references, and methodology. In no case should price be allowed to serve as the sole criterion for selection.

(2) *Independent auditors*. In all matters relating to the assignment, an independence in mental attitude is to be maintained by the auditor or auditors. When contracting for audit services, the village shall request proposals from qualified firms, including the current auditors, if their past performance has been satisfactory. The selection committee shall choose an independent firm of certified public accountants to perform an annual audit of the accounts and records and render an opinion on the financial statements of the village. The firm is approved by the council. Each year, the independent auditor will provide a letter of engagement to the village for annual audit services. Audit staff rotation will be discussed with the firm annually.

(3) *Arbitrage consultants*. While the village is responsible for ensuring that the records are in order, the calculations made, reporting completed, and filings made, the actual arbitrage calculation and reporting connected to the village's tax-exempt debt shall be contracted out to a qualified

firm when needed. The arbitrage consultant shall complete a risk assessment of positive arbitrage on each bond issue annually as needed to determine the necessity for a calculation of positive/negative arbitrage in the current year. All bond issues in accordance with arbitrage regulation shall have each 5th year and final arbitrage calculations completed.

(4) *Bond counsel*. Village bond counsel has the role of an independent expert who provides an objective legal opinion concerning the issuance and sale of bonds and other debt instruments. As bond counsel are specialized attorneys who have developed necessary expertise in a broad range of practice areas, the village will always use a consultant for these services. Generally, bonds are not marketable without an opinion of nationally recognized bond counsel stating that the bonds are valid and binding obligations, stating the sources of payment and security for the bonds and that the bonds are exempt from state and federal income taxes (if applicable). Bond counsel is responsible for the following tasks in a transaction:

(A) Prepares and oversees bond proceedings,

(B) Ensures the village meets all the legal requirements and authorizations of the bond offering,

(C) Discloses and analyzes all relevant legal and financial documents that may have a bearing on the validity of the offering,

(D) Interprets relevant regulations and laws and assists in structuring the issue, and

(E) Writes key financing documents.

(5) *Disclosure counsel*. Disclosure counsel is an independent firm, separate from bond counsel, which may be retained by the village to provide a legal opinion concerning accuracy of the information presented in disclosure and bond documents including but not limited to the preliminary official statement and final official statement, and provide guidance on continuing disclosure obligations.

(6) *Municipal advisor (financial advisor)*. The Government Finance Officers Association (GFOA) recommends that issuers hire a municipal advisor, also referred to as a financial advisor, prior to the undertaking of debt financing. The village may issue various types of securities to finance its capital improvement program. Debt structuring and issuance requires a comprehensive list of services associated with municipal transactions, including but not limited to: method of sale; analysis of market conditions; size and structure of the issue; preparation of disclosure documents; coordinating rating agency relations and monitoring rating agency evaluation criteria; evaluation of and advice on the pricing of securities; assisting with closing and debt management; calculating debt service schedules; and providing recommendations on management of the village's finances, including evaluation of debt structures and refinancing opportunities.

(A) The municipal advisor must be registered as a municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

(B) To ensure that the village is receiving services at fair market value, upon completion of contract, staff will select a municipal advisor through a competitive procurement process.

(C) While a municipal advisor plays a key role on the financing team, it is important to note that the village remains in control of the decision-making process necessary for the issuance and sale of the bonds or implementing the financing.

(D) The selected municipal advisor shall not be permitted to serve as underwriter on any bond transactions while serving in the municipal advisor role. Upon termination of the municipal advisor contract, a period of one year should pass before the firm may be engaged as an underwriter on any bond transaction for the village.

(c) Budget and long-range planning

(1) *Purpose*. The village will establish budget guidelines to encourage and maintain operations under the government-lite approach. These guidelines will allow the budget to serve as the culmination of the village's annual planning, implementation, and evaluation process. Additionally, a long-range financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets.

(2) *Balanced budget*.

(A) The village is required to prepare a balanced budget in which current revenues will be sufficient to support current expenditures. The budget process and format shall be performance based and focused on goals, objectives, and key performance indicators. The budget will provide adequate funding for maintenance and replacement of capital. The budget will be prepared in accordance with the current program criteria of the GFOA's distinguished budget presentation award program.

(B) In addition, it is expected that the annual operating budget will be structurally balanced. A structurally balanced budget is further defined as recurring revenues funding recurring expenditures and adherence to fund balance policies. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. If economic conditions dictate that the village manager file a structurally imbalanced budget, it shall be accompanied by a plan to return the budget to structural balance and the resulting five-year financial forecast that reflects steps to be taken to return the budget to structural balance and to compliance with the village's fund balance policy.

(3) *Use of recurring revenues*. Recurring expenses will be funded exclusively with recurring revenue sources to facilitate operations on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues.

(4) *Use of non-recurring revenues*. Non-recurring revenue sources, such as a one-time revenue remittance or fund balance more than policy can only be budgeted / used to fund non-recurring

expenditures, such as capital purchases or capital improvement projects. This will ensure that recurring expenditures are not funded by non-recurring sources.

(A) The following expenditures are considered non-recurring for budgetary purposes:

(i) Transfers to other funds.
(ii) Capital expenditures.
(iii) Contingency funds.

(B) The following revenues are considered non-recurring for budgetary purposes:

(i) Grant revenues.
(ii) Reimbursements for one-time items.
(iii) Short term/inter-fund loans.

(C) Allowable uses of one-time revenues received during the year (over the budgeted amounts):

(i) To fund capital projects without an identified funding source.
(ii) To fund one-time expenditures in the following fiscal year's budget.
(iii) To replenish a draw down in the fund balance below policy requirements.

(5) *Revenue estimating for budgeting*. The village maintains a diversified and stable revenue structure to protect it from short-run fluctuations in any single revenue source. As part of this maintenance, the village shall estimate revenue using a conservative, objective, and analytical process based off historical data and expected future trends. This approach should reduce the likelihood of actual revenues falling short of budget estimates and should avoid mid-year service changes.

(6) *Budget management*

(A) General budget preparation

(i) The village charter requires the village manager to present a proposed budget to the council for the ensuing fiscal year and an accompanying message on or before July 15th of each year. Coordination of the budget process and preparation of the budget document is the task of the finance department, which is responsible for projecting revenues and beginning available fund balances for each fund.

(ii) The operating budget authorizing expenditures of village funds will be adopted annually at the fund level. The level of budgetary control is at the department level and the annual budgets serve as the legal authorization for expenditures.

(iii) Florida Statutes Chapter 200 (determination of millage) governs the budget and property tax rate adoption process. The village council is required to hold two public

hearings for adoption of a property tax rate and budget. The annual budget shall be adopted in September of each year following the public hearings.

(B) Captial budget preparation. Pursuant to Florida Statutes § 218.39, the village shall prepare the capital improvement program as part of the comprehensive budget planning process. The village charter requires two public hearings and adoption of the capital improvement program by resolution on or before August 15th of each fiscal year which includes five years of future capital.

(C) Amending the budget. Florida Statutes § 166.241 allows budget amendments up to sixty days subsequent to the fiscal year end. The council may, by resolution, provide for the transfer of all or part of any unencumbered appropriations balance from one department, fund, service, strategy, or organization unit to the appropriations for other departments or organizational units or a new appropriation. The village manager may transfer funds between programs within a department, fund, service, strategy, or organizational unit and shall report such transfer to the council, in writing, in a timely manner.

(D) Mid-year operating deficits. During the fiscal year, the village may find revenues falling short and expenditures exceeding anticipated levels. If so, the village shall take immediate corrective actions if at any time during the fiscal year new expenditure and revenue estimates are such that an operating deficit is projected at year end. Corrective actions are to be implemented by the village manager with a report to advise the village council of the actions taken. Corrective actions may include:

(i) Manage vacation positions

(ii) Deferral of capital purchases

(iii) Expenditure reductions

(iv) Freeze merit increases

(v) Use of fund balance, including committed fund replacement fund balances

(vi) Increase fees

(vii) Lay-off employees

(E) Short-term loans/use of fund balance. Short-term loans shall be avoided to balance the budget. However, only under an emergency, the village may enter into a short-term debt instrument such as a non-revolving line of credit to ensure continuous operations of the village are maintained and/or financial sustainability. The use of fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit, but only with a plan prepared as part of the annual budget to replenish the fund balance if it is brought below policy level.

(d) Capital expenditures and improvements

(1) *Purpose*. The village will review and monitor the state of the village's capital equipment and infrastructure annually, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

(2) *Capitalization threshold for tangible assets*. Capital assets include property, buildings, furniture, equipment, vehicles, software, and infrastructure assets. Capital assets used in governmental fund types of the village are recorded at cost if purchased or constructed. The following capitalization thresholds are as follows:

Asset Class	Capitalization Threshold
Furnishings & Equipment	$5,000
Intangible	$25,000
Capital Improvement Projects	$50,000
Infrastructure	$50,000

(3) *Five year capital improvement plan (CIP).*

(A) The village shall annually prepare a five-year capital improvement plan based on the needs for capital improvements and equipment, the status of the village's infrastructure, replacement and renovation needs, and potential new projects in coordination of the development of the strategic plan, business plan, and operating budget, as well as ensuring compliance with the comprehensive plan's capital improvement element and all other village master plans. Future operating expenditures and revenues associated with new capital improvement will be projected and included in operating budget five-year forecasts.

(B) Capital projects are improvements or additions to the village's physical plant/facilities and become part of the village's asset inventory. Capital projects can be further categorized into land, buildings, improvements other than buildings, and infrastructure, which includes roads, sidewalks, bridges, utility lines, etc. Capital costs typically consist of preliminary design, final design, and construction, and may involve the acquisition of land or easements. For every project identified in the plan, a project scope and project justification will be provided. Also, project costs shall be estimated, funding sources identified and annual operation and maintenance costs computed.

(C) Staff will identify the estimated costs and funding sources for each capital project proposal before it is submitted to the council for approval. The village will determine and use the most prudent financial methods for acquisitions of new capital equipment and projects, based on its financial resources and market conditions at the time of acquisition.

(D) All capital projects submitted for approval must be justified in terms of how the project supports the achievement of the village's strategic priorities and intended outcomes. Projects are prioritized and approved based on the relevance of the project to the village's strategic plan and the impact on the end customer.

(E) The five-year CIP shall be filed and year one funding approved with the annual budget. Years two through five are for planning purposes only, and may move up, back, or be phased as the project becomes more refined based on preliminary engineering and design work gets completed.

(F) The five-year CIP shall be limited to the affordability limits identified in the long-range financial plans of the village taking into consideration pay-as-you go funding capacity, operating costs, etc. Affordability shall be determined by the revenue assumptions used to build the five-year forecast.

(G) Projects that cannot be funded in the five-year CIP using the affordability assumptions will be included in the CIP for future reference as an appendix of unfunded projects and considered for future funding or a bond referendum.

(4) *Capital improvement project*. A capital improvement project is defined as a major construction, expansion, renovation, purchase, or major repair/replacement of buildings, streets or other physical structure which has an estimated cost of $50,000 or more and a life of at least three years.

(5) *Replacement of capital assets on a regular schedule*. The village shall annually prepare a schedule for the replacement of its fleet, high value technology and high value parks capital assets. Funding for the replacement of these assets will be accomplished using an annual depreciation structure charged to each participating fund at 100% of annual depreciation based on lifecycle or useful life of the asset. Within the resources available each fiscal year, the village shall replace these assets accordingly.

(6) *Capital project management*.

(A) All projects will be considered active once the fiscal year has begun with an appropriately adopted CIP budget in place. Projects will be initiated by the responsible department, which shall follow appropriate procurement policies and procedures.

(B) Projects funded with bonds, loans, or short-term notes will continue until the project is finished and closed on the general ledger. Projects funded by cash will expire at year-end, with no funding rolled forward unless approved by the finance director. Projects finished under budget will be closed and excess funds will be placed in the fund balance for unrestricted use.

(C) Unrestricted, excess funds shall be used to fund future capital projects, new business plan initiatives adopted midterm, over-budget projects, or to refund financial instruments.

(D) Projects that will exceed the budget must have a revised budget and a request for additional funding submitted to the finance director at the earliest possible time. Additional funding may be identified through savings in other capital projects at the discretion of the finance director, or through council action.

(7) *Physical inventory*. An annual inventory of equipment will be conducted to ensure that the replacement, maintenance, and CIP projections are accurate, and that sufficient internal control over capital items is exercised.

(e) Debt

(1) *Purpose*. The village will establish guidelines for debt financing that will provide needed facilities, land, capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

(2) *Use of debt financing*.

(A) Debt financing, to include general obligation bonds, revenue bonds, lease/purchase agreements, and other obligations permitted to be issued or incurred under Florida law, shall only be used to purchase capital assets that cannot be prudently acquired from either current revenues or fund balance/working capital and to fund improvements and additions. Debt financing is utilized to spread payments for assets and infrastructure over their useful lives. Debt will not be used to fund operating expenditures.

(B) The village will pay cash, when possible, for capital improvements within the financial affordability of each fund versus issuing debt when funding capital expenditures and capital improvements. Projects that are rehabilitative in nature shall be earmarked for funding from cash instead of debt when possible. (This is not intended to include reconstruction projects that significantly extend the useful life of an asset.) Cash sources include, but are not limited to general fund one-time revenues, water and sewer system revenues and developer fees, and state and federal grants.

(3) *Bond ratings*.

(A) In evaluating the issuance of additional debt to finance projects, the village shall consider the statements of the rating agencies regarding the village's financial condition. The village rely on its municipal advisor to stay informed on rating agency methodologies which may change from time to time.

(B) Ratings generally reflect the assessment of the following factors, and these must be evaluated to determine the impact of potential bond issues:

(i) Local economic activity
(ii) Strong financial policies, budgeting and long-term planning practices
(iii) Budgetary performance
(iv) Total liquidity and reserve balances

(v) Debt and contingent liability- evaluation of debt carrying costs as a percent of expenditures or revenues

(vi) Impact of future debt issuance on bond ratings/debt profile and outlook

(4) *Affordability*.

(A) The village shall use an objective analytical approach to determine whether it can afford to issue new general-purpose debt. This process shall compare village-accepted standards of affordability to the current values for the village. These standards may include debt per capita, debt as a percent of taxable value, taxable value per capita, and tax rate. The process shall also examine the direct costs and benefits of the proposed expenditures. In addition, the analysis will evaluate the capacity within the general fund to take on the operating expenditures associated with the completion of the proposed capital improvements.

(B) When a project has a significant impact on the operating budget, the tax rate shall be shifted from debt service to maintenance & operations to support the increased expenditures. Further debt capacity shall be evaluated based on the remaining debt service tax capacity. The decision on whether or not to issue new debt shall be based on these costs and benefits, current conditions of the municipal bond market, and village's ability to afford new debt as determined by the aforementioned standards.

(C) In the event that a project may require debt, an affordability analysis will be done on a project-by-project basis. The village will also consider the affordability of new debt secured by revenue sources other than ad valorem taxes.

(5) *Debt service coverage*. Annually, upon filing of the continuing disclosure requirements related to any outstanding village debt, the finance director will transmit historical coverage tables to the village manager which account for legally available revenues divided by the maximum annual debt service requirements for like revenue bonds. The communication ensures awareness of the village's current debt level.

(6) *General obligation bonds and non-ad valorem revenue debt*.

(A) When the list of unfunded projects contains projects that the village council wishes to fund but cannot afford ith existing ad valorem taxes, then the village will consider taking a general obligation bond referendum to the voters as provided by Florida law.

(B) General obligation bond proposals would include an analysis showing how the new debt combined with the current general obligation debt impacts on the village's ad valorem tax rate.

(C) General obligation bonds may only be issued to accomplish projects identified in the bond referendum and associated material.

(D) The village may also issue non-ad valorem revenue debt for general government projects. Non-ad valorem revenue debt is repaid with any legally available revenues that are not derived from ad valorem taxes. The village will ensure that the anti-dilution test is satisfied for any new non-ad valorem debt issued.

(E) General obligation bonds must be issued for projects that are consistent with the wording in the bond propositions.

(7) *Debt structutes*.

(A) The village shall strive to issue bonds with a final maturity at, or below 30 years, but in no case longer than the useful life of the asset.

(B) The village shall seek level or declining debt repayment schedules and shall seek to retire 50% of the total principal outstanding within the average life of the bonds.

(C) There shall be no capitalized interest included in the debt structure except as specifically disclosed to the council and justified by project needs.

(8) *Debt refunding*. The village's financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the net present value savings of a particular refunding should exceed 3.0% of the refunded maturities in aggregate to offset the cost and time of a refunding debt issuance unless (1) a debt restructuring is necessary or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt.

(9) *Bond proceeds*.

(A) The use of bond proceeds will be tracked to allocate bond proceeds to specific projects financed with the bond proceeds. If different projects with different allowable repayment sources are funded by the same issue, the proceeds will be allocated to each allowable funding source with a corresponding allocation of debt service. For example, if a single issue funded roads which may be paid by gas taxes as well as park that could only be paid by general governmental funds, debt service shall be allocated such that gas taxes may be used to pay an appropriate share of debt service.

(B) Spending amounts and dates will be tracked to ensure compliance with any spend-down or arbitrage considerations.

(C) Bond proceeds will be invested as required by any loan or bond covenants and, if no covenants control the investment, then as required by the village's investment policy, subject to IRS rules and regulations.

(D) Interest earnings on bond proceeds will be limited to funding changes to the bond financed CIP in compliance with the underlying debt authorization, cost overruns on bond projects, or be applied to debt service payments on the bonds issued. In the case of general obligations

bonds, issued but unspent bond proceeds may be appropriated for projects consistent with the ballot language after completion of projects identified in the approved bond propositions.

(10) *Sale process*. The village shall use a competitive bidding process in the sale of debt unless the nature of the issue or market conditions warrants a negotiated sale. The village will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing. The village shall award the bonds based on a true interest cost basis. However, the village may award bonds based on a net interest cost basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid. Based on the fact that market conditions and the village's needs change regularly, sales process parameters will be disclosed to and approved by the council.

(11) *Underwriting syndicates*. In response to the MSRB Rule G-17, which recognizes that the motivations of an underwriter may not be consistent with the best interest of the village, the village shall refer underwriters to its municipal advisor to review potential refunding opportunities. The village's municipal advisor is prohibited from underwriting the village's bonds while under contract with the village for municipal advisory services, and for a period of one year after termination of the municipal advisory contract. The village may request its municipal advisor to assist the finance director in developing a request for proposals intended for underwriters for negotiated bond issues. The village will not be restricted in the number of underwriters selected to support the village in a negotiated bond sale.

(12) *Rating agency presentations*. Full disclosure of operations and open lines of communications shall be maintained with the rating agencies. village staff, with the assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies. Credit ratings will be sought from one or more of the nationally recognized municipal bond rating agencies, including but not limited to Moody's Investors Service, Standard & Poor's and Fitch Ratings Inc., as recommended by the village's municipal advisor.

(13) *Bond ratings*. The village will prudently manage the governmental funds and enterprise funds if applicable, and attempt to issue and structure debt to help maintain or increase the current bond ratings.

(14) *Bond issuance*. The village may utilize a municipal bond insurance policy or a debt service reserve surety policy if such a policy provides economic benefits to the village.

(15) *Lease/purchase agreements*. The village may use lease/purchase agreements for capital items when it is cost-efficient and provides for more attractive terms than issuance of bonds or other forms of debt.

(16) *Pension liability policy*. In accordance with § 4(6)(c) of the village charter, the council may not adopt any compensation plan for municipal employees or officers that incur unfunded liabilities or adopt a defined benefit plan. The council may only adopt a defined contribution plan.

(f) Expendutires and services

(1) *Purpose*. The village will identify services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of those services.

(2) *Procurement activities*.

(A) The village shall maintain policies and procedures to ensure compliance with state laws relating to procurement of goods and services.

(B) The village council shall periodically review the village's procurement codes to ensure they are designed to result in the efficient and effective acquisition of commodities and services for the village, while ensuring the village is a good steward of the public's funds.

(3) *Maintenance of capital assets*. Within the resources available each fiscal year, the village shall maintain capital assets and infrastructure at a sufficient level to protect the village's investment, to minimize future replacement and maintenance costs, and to maintain service levels.

(4) *Periodic program/service reviews*. The village manager and staff shall undertake periodic reviews of village programs and services for both efficiency and effectiveness. Outsourcing and contracting with other governmental agencies and/or the private sector will be evaluated as alternative approaches to service delivery. Programs or services determined to be inefficient and/or ineffective may be recommended through the annual budget process to be reduced in scope or eliminated.

(5) *Outsourcing of village services*. The village provides many municipal services to its citizens covering a wide variety of disciplines. Attempting to perform all of these services in-house could dilute the village's efficiency and not be cost effective. Two of the management tools utilized by the village to maximize efficiency and cost effectiveness are outsourcing and managed competition processes. The economic benefits of competition include lower costs and improved quality of performance irrespective of whether a given service is ultimately performed in-house or outsourced.

(g) Cash management and investments

(1) *Purpose*. The village will maintain the Village's cash in such a manner so as to ensure the absolute safety of principal, to meet the liquidity needs of the Village, and to achieve the highest possible yield in compliance Florida Statues § 218.14 and the village's investment policy, as adopted by the council.

(2) *Investment policy*.

(A) All aspects of cash/investment management shall be designed to ensure safety and integrity of the village's financial assets. Cash/investment management activities shall be conducted in full compliance with prevailing local, state, and federal regulations.

The village shall review its investment policies on a periodic basis. Please reference the village's investment policy as adopted by the council.

(B) The village shall design and establish policies relating to a variety of cash/investment management issues, such as authorized investment institutions and dealers, permissible investments, maturity and liquidity requirements, third party custodial agreements, and such other aspects of the program, which necessitate standard setting in pursuit of appropriate prudence and enhanced protection of assets.

(3) *Investment strategy*. The village maintains a consolidated portfolio in which it pools its funds for investment purposes. The village's investment program seeks to achieve safety of principal, adequate liquidity to meet cash needs, and reasonable yield commensurate with the preservation of principal and liquidity.

(4) *Interest income*. Interest earned from investments shall be distributed to the funds from which the funds were provided.

(5) *Arbitrage investments and reporting*. The village's investment position as it relates to arbitrage is as follows: Investments on bond proceeds will be made with safety of principal and liquidity in mind, but with a competitive rate of return. Investment of bond proceeds will be clearly tracked, and investment earnings recorded for arbitrage purposes.

(6) *Depository bank*.

(A) The village will select its official bank depository through a formal bidding process in order to provide the village with the most comprehensive, flexible, and cost-effective banking services available. Only officials authorized by the council through the depository contract may open accounts in the name of the village or its component units.

(B) All checks shall have two signatures. Three people shall be authorized to sign checks: the village manager, the mayor, and the vice mayor. Signatures shall be affixed to all village checks via facsimile signatures and are made with a secure laser check printing system.

(7) *Collateralization of deposits*. The Florida Security for Public Deposits Act prescribes the deposit authority of the village. Deposits whose value exceeds the limits of federal depository insurance are entirely insured or collateralized pursuant to the Act. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 200% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency.

(h) Grants

(1) *Purpose*. The village will seek, apply for, and effectively administer federal, state and local grants, which support the village's current priorities and policy objectives.

(2) *Authority to apply for grant funding*. Only the village manager or an authorized designee may sign and submit grant applications on behalf of the village. Council approval is not required in order to apply for a grant.

(3) *Coordination of grant policy and grant operations*. The village must be able to track and manage grants at all stages of the grants process from funding research through project closeout.

(4) *Acceptance of grants*. All grants award contracts awarded to the village must be reviewed and, if agreeable to the village, accepted in an expeditious manner. Grant award contracts which have a village funding match in excess of $75,000, or which require the village to indemnify the grantor in excess of prevailing insurance coverages, or which require the village to transfer an interest in village-owned land (other than the granting of a temporary easement) must be approved by the council. All other grant award contracts may be approved by the village manager.

Sec. 2-161. Policies on responsible management established.

(a) Performance management

(1) *Purpose*. Village shall create a strategic plan that identifies the strategic goals with corresponding key performance indicators (KPIs) to help monitor and achieve the strategic goals.

(2) *Establishing performance requirements*.

(A) Annually, each department, along with the finance department, shall develop and review existing departmental performance measures that directly support the successful achievement of strategic goals. The KPIs and targets shall measure and track the performance of core processes of the department and should reflect customer needs.

(B) The KPIs shall measure performance from one of the following "perspectives" (Measure Types): Impact, Demand, Efficiency and/or Effectiveness:

(i) Impact: Measures the resources being used by a department and/or the impact on the community. (Example: The number of calls responded to by staff and the cost associated to responding to those calls and/or the benefit of having a place for the resident to call).

(ii) Demand: Measures the need for a specific service or program. (Example: The total number of incoming calls).

(iii) Efficiency: Measures cost efficiency. (Example: Responding to all incoming calls while looking to reduce cost).

(iv) Effectiveness: Measures how well an objective is achieved. (Example: The ability to effectively answer all inquiries and respond to all incoming calls).

(C) Department directors shall establish performance measures for each division or program within their department to monitor and project program performance. These measures must be linked to the strategic goal(s) they support.

(D) Supervisors shall negotiate fair and aggressive performance measures for each employee that directly support program objectives and departmental KPIs as part of the annual performance review process.

(E) KPIs should have sufficiently aggressive "stretch" targets to ensure continuous improvement.

(3) *Establishing data tracking and reporting requirements*.

(A) The finance department shall establish reporting frequency and "child measure" data to be tracked within each KPI (Parent Measure). The reporting frequency and child measure data must allow for detailed trend analysis and reporting.

(B) KPIs that track the performance of department and/or division core processes shall be monitored and reported using the most frequent "reporting frequency" available and shall continue to be monitored while the core process is performed by the department and/or division.

(4) *Reporting performance*. Summaries of progress and departmental key performance indicators will be reported as deemed necessary by the village manager but will always be included in the annual adopted budget document.

(5) *Decision making and analysis*. The village's strategic/business planning and budgeting decisions are based on a number of advanced statistical, economic, and financial models. The specific tools used include but are not limited to:

(A) Citizen surveys—Based on sound statistical sampling methods, a survey of residents and business owners will be conducted to gather widespread customer satisfaction, quality perceptions, and other attitudinal information.

(B) Citizen focus groups and advisory boards—Focus groups and advisory boards are teams made up of citizens and village staff to address specific concerns and strategic priorities.

(C) Master planning—Specific functions and processes are included in written plans, such as the Comprehensive Master Plan or the Storm Water Master Plan.

(D) SWOC analysis - Strengths, Weaknesses, Opportunities, and Challenges are gathered from staff, Advisory Committee members, and other members of the community.

(E) Revenue forecasting model—Statistical time series analysis and tracking model of major revenue sources.

(F) Performance management system—Established data and tracking methods.

(G) Capital budgeting tools—Present value payback, net present value analysis, and own/lease analysis.

(H) Five-year financial plan—Multiyear forecasting of revenues and expenditures.

(b) Management structure and operating standards

Purpose. The village will develop and maintain a management structure and operating standards that adhere to the principles of "government-lite" while providing forward-thinking, efficient, and transparent municipal operations.

(1) *Master plans*. Master Plans are designed to guide the future actions of a community by establishing long-range strategies focused on community development and sustainability. The village will develop and maintain all statutory master plans including those deemed beneficial by the village manager or council.

(2) *Capital improvement planning and master plans*. Management will adhere to the village's financial policies and best practices during the development of master plans to allow for a smoother transition of long-range plans to be implemented and lessen the impact on the CIP and future operating budgets. Subsequently, to adequately guide the fiscal, operating, and land use needs of the community, management should use master plans as a framework for capital project requests incorporated into the CIP.

(3) *Management structure*. The village governance model reflects the dual priorities of providing daily governance and the nimbleness to act on unique opportunities. The village will maintain a highly experienced, capable, educated and credentialed workforce to meet these unique demands.

(4) *Strategic principles*. The strategic principles of the village are to:

(A) Practice outstanding ethics, by guarding against council, staff, and board member conflict of interest issues.

(B) Provide exceptional transparency by actively soliciting resident input and proactively distributing meaningful, comprehensible information to the public.

(C) Cultivate a sense of community by helping residents engage with one another to create a distinct Estero community.

(D) Preserve operational flexibility by maintaining zero ongoing pension liabilities and a commitment to limited staffing.

(E) Protect environmental assets by engaging in water quality management and open space preservation.

(5) *Operating standards*. The operating standards of the village shall:

(A) Adhere to performance management, by implementing and tracking annual service delivery goals is based on quantifiable performance metrics.

(B) Coordinate universally strong customer service by working with service delivery partners to ensure all resident interactions are helpful.

(C) Mandate excellent construction practices by creating high standards for public and private projects and inspecting them with prudence and diligence.

(D) Maintain superb maintenance by prioritizing upkeep of current village assets and by requiring such upkeep by private communities and businesses.

(E) Manage debt accumulation by identifying a specific source of funding in the budget sufficient to pay all debt service-related costs.

(c) Cybersecurity risk management

(1) *Purpose*. The village will maintain and execute policy and procedures for safeguarding electronic information and systems throughout the Village. These guidelines will protect the rights of citizens and employees and to fully comply with village policies and with state and federal laws.

(2) *Information security policy*. The village council has adopted an information security policy. The village staff is obligated to ensure compliance with council's adopted security policies so as to mitigate the security risk which can be created by unauthorized access, loss, release, destruction, or modification, to/of village electronic systems or data.

Sec. 2-162. Policy alteration limited.

The fiscal and management responsibility policies adopted in § 2-150 throught § 2-161, as created by ordinance 2024-01, are supported by substantial findings setting forth the important policy reasons for the policies' creation. Therefore, the village council finds and determines that, notwithstanding any other provision of the village code to the contrary, the fiscal and management responsibility policies adopted in § 2-150 throught § 2-161 must be maintained, and shall not be amended, without an affirmative vote of five council members.

Secs. 2-163—2-174. Reserved.

Section 2. For purposes of codification of any existing section of the Estero Village Code herein amended, words **underlined** represent additions to original text, words ~~**stricken**~~ are deletions from the original text, and words neither underlined nor stricken remain unchanged.

Section 3. If any section, subsection, sentence, clause, provision or word of this Ordinance is held unconstitutional or otherwise legally invalid, same shall be severable and the remainder of this Ordinance shall not be affected by such invalidity, such that any remainder of the Ordinance shall withstand any severed provision, as the Village Council would have adopted the Ordinance and its regulatory scheme even absent the invalid part.

Section 4. The Codifier shall codify the substantive amendments to the Estero Village Code contained in Section 1 of this Ordinance as provided for therein, and shall not codify the exordial clauses nor any other sections not designated for codification.

Section 5. Pursuant to Florida Statutes § 166.041(4)(a), prior to the date the public notice of the public hearing for this Ordinance was published, the Village prepared and posted on its website a business impact estimate which included: a) a summary of the Ordinance, a statement of the public purpose to be served by the Ordinance, b) an estimate of the direct economic impact of the Ordinance on private, for-profit businesses in the Village, c) an estimate of direct compliance costs that businesses may reasonably incur due to the Ordinance, d) identification of any new charge or fee on businesses created by the Ordinance or for which businesses will be financially responsible, e) an estimate of the Village's regulatory costs and of revenues from any new charges or fees imposed on businesses to cover such costs, and f) a good faith estimate of the number of businesses likely to be impacted by the Ordinance.

Section 6. Pursuant to Florida Statutes § 166.041(4), this Ordinance shall take effect immediately upon adoption.

ADOPTED ON FIRST READING by the Village Council of the Village of Estero, Florida on the ___ day of March, 2024.

ADOPTED ON SECOND AND FINAL READING by the Village Council of the Village of Estero, Florida on the ___ day of March, 2024.

VILLAGE OF ESTERO, FLORIDA

Attest:

By: _____
John McLain, Mayor

By: _____
Carol Sacco, Village Clerk

Village of Estero Financial Responsibility and Management Standards Policy

Updated February 2024

VILLAGE COUNCIL

Jon McLain, Mayor

Joanne Ribble, Vice Mayor
Larry Fiesel, Councilmember
Lori Fayhee, Councilmember
Rafael Lopez, Councilmember
Jim Ward, Councilmember
George, Zalucki, Councilmember

VILLAGE MANAGER

Steve Sarkozy

FINANCE DEPARTMENT

Kevin Greenville | Finance Director

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Introduction

The Management and Financial Policy Statements, adopted through Ordinance by the Village Council, provide guidelines to Village staff in managing the organization and planning finances. Some policy statements are driven by requirements of State law or Village Charter, while others are formally documented through policies and procedures. Statements that are driven by legal requirements will be noted as such.

Section 1 Accounting, Auditing, and Financial Reporting

Purpose: The Village will establish and maintain the highest standards of accounting practices in conformance with generally accepted accounting principles (GAAP) and comply with all statutory and legal requirements. The village will prepare and present reports that analyze and evaluate the Village's financial condition.

1.1 Accounting Practices and Principles

The Village will maintain accounting practices that conform to GAAP as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. All Village financial documents, except monthly interim financial reports, including official statements accompanying debt issues, Annual Comprehensive Reports and continuing disclosure statements will meet GASB standards. Monthly interim financial reports are on a cash basis and will be reported as budgeted.

1.2 Financial and Management Reports

Monthly interim financial reports will be provided to management and the Village Council. Village staff will, to the best of their ability, provide the report by the end of each month for the prior month. These reports will explain key economic and fiscal developments, note significant deviations from the budget, and track capital project costs.

1.3 Annual Audit

Pursuant to section 218.39 of the Florida Statutes, the Village shall have its accounts and records audited annually by an independent certified public accounting (CPA) firm, and it shall be completed within 9 months after the end of its fiscal year. It is the Village's goal to submit the audit at the first Village Council meeting in May for approval. The audit firm shall provide a management letter to the Village. The audit firm shall also provide a Single Audit of Federal and State grants, when necessary.

The objective of the audit of the financial statements by the independent auditor is the expression of an opinion on the fairness with which they present, in all material respects, financial position, results of operations, and its cash flows in conformity with generally accepted accounting principles. The auditor has a responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements are management's responsibility. The auditor's responsibility is to express an opinion on the financial statements.

An official Annual Comprehensive Report (ACR) shall be issued no later than six (6) months following the end of the fiscal year. The ACR shall be prepared to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting program through GFOA. This program establishes criteria that go beyond the minimum requirements for Generally Accepted Accounting Principles to prepare ACRs that evidence the spirit of transparency and full disclosure. Any audit findings and/or management comments will be reported to the Village Council at a public meeting.

1.6 Continuing Disclosure

The Village will provide disclosure in connection with the initial sale and distribution of its publicly marketed debt instruments. The Finance Director will ensure that the Municipal Securities Rulemaking Board's EMMA® website is current and all disclosures are filed timely with assistance from the Village's municipal advisor and bond or disclosure counsel. EMMA® is the official repository for information on virtually all municipal securities. Continuing disclosure includes annual disclosure required within 180 days of fiscal year end, as well as material event disclosure required under the Securities and Exchange Council (SEC) Rule 15c2-12 within 10 days of the occurrence of the event.

Section 2 Financial Consultants

Purpose: The Village will employ qualified financial advisors and consultants as needed in the administration and management of the Village's financial functions. These areas include but are not limited to audit services, debt administration, and financial modeling. The Village shall implement evaluation criteria for each financial consultant to ensure the Village receives the highest quality services available. The factors in the selection of these consultants should include but may not be limited to experience, expertise, ability to perform, the services offered, references, and methodology. In no case should price be allowed to serve as the sole criterion for selection.

2.1 Independent Auditors

In all matters relating to the assignment, an independence in mental attitude is to be maintained by the auditor or auditors. When contracting for audit services, the Village shall request proposals from qualified firms, including the current auditors, if their past performance has been satisfactory. The selection committee shall choose an independent firm of certified public accountants to perform an annual audit of the accounts and records and render an opinion on the financial statements of the Village. The firm is approved by the Village Council. Each year, the independent auditor will provide a letter of engagement to the Village for annual audit services. Contracts are evaluated every five years. Audit staff rotation is discussed with the firm annually.

2.2 Arbitrage Consultants

While the Village is responsible for ensuring that the records are in order, the calculations made, reporting completed, and filings made, the actual arbitrage calculation and reporting connected to the Village's tax-exempt debt shall be contracted out to a qualified firm when needed. The arbitrage consultant shall complete a risk assessment of positive arbitrage on each bond issue annually as needed to determine the necessity for a calculation of positive/negative arbitrage in the current year. All bond issues in accordance with arbitrage regulation shall have each 5th year and final arbitrage calculations completed.

2.3 Bond Counsel

Bond Counsel to the Village has the role of an independent expert who provides an objective legal opinion concerning the issuance and sale of bonds and other debt instruments. As bond counsel are specialized attorneys who have developed necessary expertise in a broad range of practice areas, the Village will always use a consultant for these services. Generally, bonds are not marketable without an opinion of nationally recognized bond counsel stating that the bonds are valid and binding obligations, stating the sources of payment and security for the bonds and that the bonds are exempt from State and Federal income taxes (if applicable).

Bond Counsel is responsible for the following tasks in a transaction:

- Prepares and oversees bond proceedings.
- Ensures that the Village meets all the legal requirements and authorizations of the bond offering.

- Discloses and analyzes all relevant legal and financial documents that may have a bearing on the validity of the offering.
- Interprets relevant regulations and laws and assists in structuring the issue.
- Writes key financing documents.

2.4 Disclosure Counsel

Disclosure Counsel is an independent firm, separate from bond counsel, which may be retained by the Village to provide a legal opinion concerning accuracy of the information presented in disclosure and bond documents including but not limited to the Preliminary Official Statement and final Official Statement and provide guidance on continuing disclosure obligations.

2.5 Municipal Advisor (Financial Advisor)

The Government Finance Officers Association (GFOA) recommends that issuers hire a municipal advisor, also referred to as a financial advisor, prior to the undertaking of debt financing. The Village may issue various types of securities to finance its capital improvement program. Debt structuring and issuance requires a comprehensive list of services associated with municipal transactions, including but not limited to: method of sale; analysis of market conditions; size and structure of the issue; preparation of disclosure documents; coordinating rating agency relations and monitoring rating agency evaluation criteria; evaluation of and advice on the pricing of securities; assisting with closing and debt management; calculating debt service schedules; and providing recommendations on management of the Village's finances, including evaluation of debt structures and refinancing opportunities.

- The municipal advisor must be registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a municipal advisor.
- To ensure that the Village is receiving services at fair market value, upon completion of contract, staff will select a municipal advisor through a competitive procurement process.
- While a municipal advisor plays a key role on the financing team, it is important to note that the Village remains in control of the decision-making process necessary for the issuance and sale of the bonds or implementing the financing.
- The selected municipal advisor shall not be permitted to serve as underwriter on any bond transactions while serving in the municipal advisor role. Upon termination of the municipal advisor contract, a period of one year should pass before the firm may be engaged as an underwriter on any bond transaction for the Village.

Section 3 Budget and Long-Range Planning

Purpose: The Village will establish budget guidelines to encourage and maintain operations under the government-lite approach. These guidelines will allow the budget to serve as the culmination of the Village's annual planning, implementation, and evaluation process. Additionally, a long-range financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets.

3.1 Balanced Budget

The Village is required to prepare a balanced budget in which current revenues will be sufficient to support current expenditures. The budget process and format shall be performance based and focused on goals, objectives, and key performance indicators. The budget will provide adequate funding for maintenance and replacement of

capital. The budget will be prepared in accordance with the current program criteria of the GFOA's Distinguished Budget Presentation Award Program.

In addition, it is expected that the annual operating budget will be structurally balanced. A structurally balanced budget is further defined as recurring revenues funding recurring expenditures and adherence to fund balance policies. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. If economic conditions dictate that the Village Manager file a structurally imbalanced budget, it shall be accompanied by a plan to return the budget to structural balance and the resulting five-year financial forecast that reflects steps to be taken to return the budget to structural balance and to compliance with the Village's Fund Balance Policy.

3.1.1 Use of Recurring Revenues

Recurring expenses will be funded exclusively with recurring revenue sources to facilitate operations on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues.

3.1.2 Use of Non-Recurring Revenues

Non-recurring revenue sources, such as a one-time revenue remittance or fund balance more than policy can only be budgeted / used to fund non-recurring expenditures, such as capital purchases or capital improvement projects. This will ensure that recurring expenditures are not funded by non-recurring sources.

The following expenditures are considered non-recurring for budgetary purposes:

- Transfers to Other Funds
- Capital Expenditures
- Contingency Funds

The following revenues are considered non-recurring for budgetary purposes:

- Grant Revenues
- Reimbursements for One Time Items
- Short Term/Inter-Fund Loans

Allowable uses of one-time revenues received during the year (over the budgeted amounts):

- To fund capital projects without an identified funding source
- To fund one-time expenditures in the following fiscal year's budget
- To replenish a draw down in the fund balance below policy requirements

3.3 Revenue Estimating for Budgeting

The Village maintains a diversified and stable revenue structure to protect it from short-run fluctuations in any single revenue source. As part of this maintenance, the Village shall estimate revenue using a conservative, objective, and analytical process based off historical data and expected future trends. This approach should reduce the likelihood of actual revenues falling short of budget estimates and should avoid mid-year service changes.

3.4 Budget Management

3.4.1 General Budget Preparation

The Village Charter requires the Village Manager to present a proposed budget to the Village Council for the ensuing fiscal year and an accompanying message on or before July 15th of each year. Coordination of the budget process and preparation of the budget document shall be delegated by the Village Manager to the Finance staff. The Finance department is responsible for projecting revenues and beginning available fund balances for each fund.

The operating budget authorizing expenditures of Village funds will be adopted annually at the fund level. The level of budgetary control is at the department level and the annual budgets serve as the legal authorization for expenditures.

Florida Statues, Chapter 200, and Truth in Millage (TRIM), govern the budget and property tax rate adoption process. The Village Council is required to hold two public hearings for adoption of a property tax rate and budget. The annual budget shall be adopted in September of each year following the public hearings.

3.4.2 Capital Budget Preparation

Pursuant to section 218.39 of the Florida Statutes, the Village shall prepare the capital improvement program as part of the comprehensive budget planning process. The Village Charter requires two public hearings and adoption of the capital improvement program by resolution on or before August 15 of each fiscal year which includes five years of future capital.

3.4.3 Amending the Budget

Section 166.241 of the Florida Statutes allows budget amendments up to sixty days subsequent to the fiscal year end. The Village Council may, by resolution, provide for the transfer of all or part of any unencumbered appropriations balance from one department, fund, service, strategy, or organization unit to the appropriations for other departments or organizational units or a new appropriation. The Village Manager may transfer funds between programs within a department, fund, service, strategy, or organizational unit and shall report such transfer to the council, in writing, in a timely manner.

3.4.4 Mid-Year Operating Deficits

During the fiscal year, the Village may find revenues falling short and expenditures exceeding anticipated levels. If so, the Village shall take immediate corrective actions if at any time during the fiscal year new expenditure and revenue estimates are such that an operating deficit is projected at year end. Corrective actions are to be implemented by the Village Manager with a report to advise the Village Council of the actions taken. Corrective actions may include:

- Manage Vacant Positions
- Deferral of capital purchases
- Expenditure reductions
- Freeze merit increases
- Use of fund balance, including Committed Fund balances
- Increase fees
- Lay-off employees

Short-term loans shall be avoided to balance the budget. However, only under an emergency, the Village may enter into a short-term debt instrument such as a non-revolving line of credit to ensure continuous operations of the Village are maintained and/or financial sustainability.

The use of fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit, only with a plan prepared as part of the annual budget to replenish the fund balance if it is brought below policy level.

Section 4 Fund Balances and Reserves

Purpose: The Village will maintain the fund balance of the various operating funds and related reserves at levels sufficient to protect the Village's creditworthiness as well as its financial position during emergencies or economic fluctuations. Should the budgeted fund balance drop below the minimum identified by the policy below, the Village will establish a plan to replenish the balances to the minimum level in subsequent years.

4.1 Governmental Fund Balances

There are five categories of Fund Balance in all governmental funds, not all will always be present. The categories are defined below:

1. Non-spendable- cannot be spent due to being non-spendable in form or the Village being legally or contractually required to maintain this amount intact. For example, inventories and prepaid amounts are considered non-spendable.
2. Restricted- balances are subject to external restrictions from creditors, grantors, contributors, or laws of other governments.
3. Committed- use of funds is only for specific purposes as determined by Village Council.
4. Assigned- intended use of balances for specific purposes is established by the Village Council or delegated to the Village Manager that is neither restricted or committed and includes the remaining positive balance of all governmental funds.
5. Unassigned- excess funds that have not been classified in the previous four categories for the general fund. This category represents the portion of fund balance which is not obligated or specifically designated and is available for general purposes. Unassigned fund balance would also include deficit residual balances for any governmental funds after reporting amounts as restricted, committed, or assigned fund balances. Deficit amounts cannot be reported for restricted, committed, or assigned fund balances in any fund.

When both restricted and unrestricted funds are available for expenditure, restricted funds will be used first. When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

4.1.1 Authority to Constrain Amounts

This section describes the criteria or level of authority required for each classification.

Nonspendable funds are funds that cannot be spent because they are either not in spendable form (e.g. inventories and prepaids) or are legally or contractually required to be maintained intact.

Restricted funds are funds that have constraints placed on their use either externally by creditors, grantors, contributors, laws or regulations or other government or by law through constitutional provisions or enabling legislation.

Committed funds are funds that have constraints placed on their use by the Village Council.

Assigned funds are funds that have constraints placed on their use by the Village Council or Village Manager.

4.1.2 Procedures to Constrain

The process through which amounts are committed or assigned is as follows:

Committed – The Village Council has the authority to set aside funds for a specific purpose. The use of any funds set aside as Committed Fund Balance requires the passage of an ordinance by a super majority vote. The passage of a resolution must take place prior to September 30th of the applicable fiscal year but the amount can be determined at a later date. A resolution would also be required to modify or rescind the specific use or amount.

Assigned – The Village Council or the Village Manager has the authority to set aside funds for the intended use of a specific purpose. This act would be in the form of a resolution, written request or as part of the annual budget process. Assigned funds may be determined as part of the annual budget process. Upon passage of a budget ordinance where fund balance is used as a source to balance the budget, that amount shall be recorded as Assigned Fund Balance. Any modification or rescission would be in a written notification to the Finance Director.

4.1.3 General Fund Committed Fund Balance – Emergency Reserve

These funds are to be held in a deep reserve, to be used in the event of a major natural disaster or a major economic downturn. The specific use of these funds shall be to protect the health, safety, and welfare of residents, cover costs of recovery to the Village and/or to ensure the immediate pay-back of any debt previously incurred by the Village for such purposes. These funds are not intended for any operating or cash-flow purposes.

The minimum level for the Emergency Reserve is 50% of General Fund budgeted expenditures less transfers out and any uses of fund balances. The need to utilize the Emergency Reserve must be established by the Village Council or the Village Manager. If established by the Village Manager, the specific need must be reported to the Village Council at its next meeting. A budget amendment must be approved by the Village Council. When such a need is recognized as part of the budget process, the need and amount will be documented as part of that process and adopted as part of the budget. When it becomes necessary for the Village to draw funds from the emergency reserve, wherein the balance drops below the minimum level of 30% of General Fund budgeted expenditures less transfers out and any uses of fund balances, the Village will develop a plan to replenish the account to the minimum level from net revenue surpluses in subsequent fiscal year(s) until the balance is restored to the minimum level.

Compliance with the provisions of the emergency reserve fund policy shall be reviewed as part of the annual budget adoption process, and the amounts to be assigned from available fund balance may be determined during this process.

In case of an emergency, use of the Emergency Fund will be given preference over the Operating Reserve to help ensure continuing operations.

4.1.4 General Fund Committed Fund Balance – Operating Reserve

These funds are to be used to stabilize the operating budget from unforeseen events including natural disasters, emergency situations, sustained declines in real estate values and/or property tax collections, and spending requirements imposed by the state or federal government vital to maintain day to day operations.

The minimum level for the Operating Reserve is 20% of General Fund budgeted expenditures less transfers out and any uses of fund balances. The need to utilize the Operating Reserve must be established by the Village Council or the Village Manager. If established by the Village Manager, the specific need must be reported to the

Village Council at its next meeting. A budget amendment must be approved by the Village Council. When such a need is recognized as part of the budget process, the need and amount will be documented as part of that process and adopted as part of the budget. When it becomes necessary for the Village to draw funds from the operating reserve, wherein the balance drops below the minimum level of 20% of General Fund budgeted expenditures less transfers out and any uses of fund balances, the Village will develop a plan to replenish the account to the minimum level from net revenue surpluses in subsequent fiscal year(s) until the balance is restored to the minimum level.

Compliance with the provisions of the operating reserve fund policy shall be reviewed as part of the annual budget adoption process, and the amounts to be assigned from available fund balance may be determined during this process.

4.1.5 General Fund Assigned Fund Balance – Litigation Reserve

Given the geographical area is prone to legal challenges, these funds are to be used in the event legal action is taken, or, conversely, in an instance where the Village seeks a legal remedy to protect the public interest.

The minimum level for the Litigation Reserve is $750,000. The need to utilize the litigation reserve must be established by the Village Council or the Village Manager. If established by the Village Manager, the specific need must be reported to the Village Council at its next meeting. A budget amendment must be approved by the Village Council. When such a need is recognized as part of the budget process, the need and amount will be documented as part of that process and adopted as part of the budget. When it becomes necessary for the Village to draw funds from the litigation reserve, wherein the balance drops below the minimum level of $750,00, the Village will develop a plan to replenish the account to the minimum level from net revenue surpluses in subsequent fiscal year(s) until the balance is restored to the minimum level.

Compliance with the provisions of the litigation reserve fund policy shall be reviewed as part of the annual budget adoption process, and the amounts to be assigned from available fund balance may be determined during this process.

4.1.6 General Fund Assigned Fund Balance – Major Road Maintenance Reserve

The Major Road Maintenace Reserve was established in fiscal year 2019-2020 with an initial contribution of $300,000 with 3% annual growth adjustments, unless directed otherwise by supermajority Council approval of an Ordinance amendment. The annual contribution was determined via calculation of road repair costs for each Village road. Given the state's weather conditions, it has been determined that road repairs and resurfacing must occur every seventeen years, on every Village road, in order to ensure that the Village road network remains in excellent condition.

Annual contributions will be allocated to the Major Road Maintenance Reserve during the budget process and if not expended will be presented as projected ending fund balance as an addition to any reserve balance carried forward from the prior year. If all of the Major Maintenance Reserve funds are budgeted to be expended during the fiscal year, funding of the annual contribution will be completed in the following fiscal year during the budget process.

Use of the Major Road Maintenance Reserve funds will be determined by the Village Manager, subject to the requirements of this section.

4.2 Use of Fund Balance

Fund Balance/Working Capital shall be used only for emergencies, non-recurring expenditures/ expenses, or major capital purchases that cannot be accommodated through current year savings. Should such use reduce

balances below the level established as the minimum for that fund, the request/decision to utilize said balances will include a plan to replenish funds to the minimum level in subsequent fiscal year(s).

4.2.1 Interfund Loans

Through the long-range financial planning process, the Village may identify a short term capital financing need that does not qualify for debt financing, and funds are available in other funds. An interfund loan is a loan from one fund to another that specifies repayment terms and requires approval by Village Council. Interfund loans may not be used to support operating needs but are allowable for cash flow needs related to capital projects.

The Interfund loan shall be documented and defined as follows:

- Source of the Funding
- Use of the Funds (project)
- Maximum Amount
- Repayment Schedule
- Interest rate, if applicable

The proposed Interfund loan shall be identified during the annual budget and CIP process as a funding source. Any changes to repayment terms shall be approved by the Village Council via resolution and clearly identified in the budget document.

4.3 Use of Surplus

It is the intent of the Village to use all surpluses generated to accomplish four goals: meeting reserve policies, avoidance of future debt, funding one-time capital and reduction of outstanding debt.

4.3.1 General Fund

Any surpluses realized in the General Fund at year-end may be used first to meet policies set forth in this section. Excess surplus may then be used for the following purposes:

- Funding for Replacement Programs
- Contributions to reserves in excess of minimum policy requirements
- Retirement or Refinancing of Existing Debt
- Funding Capital Improvement Program Projects

4.4 Debt Service Funds

The Village shall maintain the debt service fund balance reserve as required by bond ordinances.

Section 5 Capital Expenditures and Improvements

Purpose: The Village will review and monitor the state of the Village's capital equipment and infrastructure annually, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

5.1 Capitalization Threshold for Tangible Assets

Capital assets include property, buildings, furniture, equipment, vehicles, software, and infrastructure assets. Capital assets used in governmental fund types of the Village are recorded at cost if purchased or constructed. The following capitalization thresholds are as follows:

Asset Class	Capitalization Threshold
Furnishings & Equipment	$5,000
Intangible	$25,000
Capital Improvement Projects	$50,000
Infrastructure	$50,000

5.2 Five Year Capital Improvement Plan (CIP)

The Village shall annually prepare a five-year capital improvement plan based on the needs for capital improvements and equipment, the status of the Village's infrastructure, replacement and renovation needs, and potential new projects in coordination of the development of the Strategic Plan, Business Plan, and Operating Budget, as well as ensuring compliance with the Comprehensive Plan's Capital Improvement element and all other Village Master Plans. Future operating expenditures and revenues associated with new capital improvement will be projected and included in operating budget Five-Year Forecasts.

Capital projects are improvements or additions to the Village's physical plant/facilities and become part of the Village's asset inventory. Capital projects can be further categorized into land, buildings, improvements other than buildings, and infrastructure, which includes roads, sidewalks, bridges, utility lines, etc. Capital costs typically consist of preliminary design, final design, and construction, and may involve the acquisition of land or easements. For every project identified in the plan, a project scope and project justification will be provided. Also, project costs shall be estimated, funding sources identified and annual operation and maintenance costs computed.

Staff will identify the estimated costs and funding sources for each capital project proposal before it is submitted to the Village Council for approval. The Village will determine and use the most prudent financial methods for acquisitions of new capital equipment and projects, based on its financial resources and market conditions at the time of acquisition.

All capital projects submitted for approval must be justified in terms of how the project supports the achievement of the Village's strategic priorities and intended outcomes. Projects are prioritized and approved based on the relevance of the project to the Village's Strategic Plan and the impact on the end customer.

The Five-Year Capital Improvement Plan shall be filed and year one funding approved with the annual budget. Years two through five are for planning purposes only, and may move up, back, or be phased as the project becomes more refined based on preliminary engineering and design work gets completed.

The Five-Year CIP shall be limited to the affordability limits identified in the long-range financial plans of the Village taking into consideration pay-as-you go funding capacity, operating costs, etc. Affordability shall be determined by the revenue assumptions used to build the five-year forecast.

Projects that cannot be funded in the Five-Year CIP using the affordability assumptions will be included in the CIP for future reference as an appendix of unfunded projects and considered for future funding or a bond referendum.

5.2.1 Capital Improvement Project

A capital improvement project is defined as a major construction, expansion, renovation, purchase, or major repair/replacement of buildings, streets or other physical structure which has an estimated cost of $50,000 or more and a life of at least three years.

5.3 Replacement of Capital Assets on a Regular Schedule

The Village shall annually prepare a schedule for the replacement of its fleet, high value technology and high value parks capital assets. Funding for the replacement of these assets will be accomplished using an annual depreciation structure charged to each participating fund at 100% of annual depreciation based on lifecycle or useful life of the asset. Within the resources available each fiscal year, the Village shall replace these assets accordingly.

5.4 Capital Project Management

All projects will be considered active once the fiscal year has begun with an appropriately adopted Capital Improvement Program budget in place. Projects will be initiated by the responsible department, which shall follow appropriate procurement policies and procedures.

Projects funded with bonds, loans, or short-term notes will continue until the project is finished and closed on the general ledger. Projects funded by cash will expire at year-end, with no funding rolled forward unless approved by the Finance Director. Projects finished under budget will be closed and excess funds will be placed in the fund balance for unrestricted use.

Unrestricted, excess funds shall be used to fund future capital projects, new Business Plan initiatives adopted midterm, over-budget projects, or to refund financial instruments.

Projects that will exceed the budget must have a revised budget and a request for additional funding submitted to the Finance Director at the earliest possible time. Additional funding may be identified through savings in other capital projects at the discretion of the Finance Director, or through Council action, as appropriate to the procurement code.

5.5 Physical Inventory

An annual inventory of equipment will be conducted to ensure that the replacement, maintenance, and Capital Improvement Program projections are accurate, and that sufficient internal control over capital items is exercised.

Section 6 Debt

Purpose: The Village will establish guidelines for debt financing that will provide needed facilities, land, capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

6.1 Use of Debt Financing

Debt financing, to include general obligation bonds, revenue bonds, lease/purchase agreements, and other obligations permitted to be issued or incurred under Florida law, shall only be used to purchase capital assets that cannot be prudently acquired from either current revenues or fund balance/working capital and to fund improvements and additions. Debt financing is utilized to spread payments for assets and infrastructure over their useful lives. Debt will not be used to fund operating expenditures.

The Village will pay cash, when possible, for capital improvements within the financial affordability of each fund versus issuing debt when funding capital expenditures and capital improvements. Projects that are rehabilitative in nature shall be earmarked for funding from cash instead of debt when possible. (This is not intended to include

reconstruction projects that significantly extend the useful life of an asset.) Cash sources include, but are not limited to general fund one-time revenues, water and sewer system revenues and developer fees, and state and federal grants.

6.2 Bond Ratings

In evaluating the issuance of additional debt to finance projects, the Village shall consider the statements of the rating agencies regarding the Village's financial condition. The Village rely on its Municipal Advisor to stay informed on rating agency methodologies which may change from time to time.

Ratings generally reflect the assessment of the following factors, and these must be evaluated to determine the impact of potential bond issues:

- Local economic activity
- Strong financial policies, budgeting and long-term planning practices
- Budgetary performance
- Total liquidity and reserve balances
- Debt and contingent liability- evaluation of debt carrying costs as a percent of expenditures or revenues
- Impact of future debt issuance on bond ratings/debt profile and outlook

6.3 Affordability

The Village shall use an objective analytical approach to determine whether it can afford to issue new general-purpose debt. This process shall compare Village accepted standards of affordability to the current values for the Village. These standards may include debt per capita, debt as a percent of taxable value, taxable value per capita, and tax rate. The process shall also examine the direct costs and benefits of the proposed expenditures. In addition, the analysis will evaluate the capacity within the General Fund to take on the operating expenditures associated with the completion of the proposed capital improvements.

When a project will have a significant impact on the operating budget, the tax rate shall be shifted from debt service to maintenance & operations to support the increased expenditures. Further debt capacity shall be evaluated based on the remaining debt service tax capacity. The decision on whether or not to issue new debt shall be based on these costs and benefits, current conditions of the municipal bond market, and Village's ability to "afford" new debt as determined by the aforementioned standards.

In the event that a project may require debt, an affordability analysis will be done on a project-by-project basis. The Village will also consider the affordability of new debt secured by revenue sources other than ad valorem taxes.

6.4 Debt Service Coverage

Annually, upon filing of the continuing disclosure requirements related to any outstanding Village debt, the Finance Director will transmit a "Historical Coverage" tables to the Village Manager which account for legally available revenues divided by the maximum annual debt service requirements for like revenue bonds.. The communication ensures awareness of the Village's current debt level.

6.5 General Obligation Bonds (GO's) and Non-Ad Valorem Revenue Debt

General Obligation bonds require voter approval. When the list of unfunded projects contains projects that the Village Council wishes to fund but cannot afford with existing ad valorem taxes, then the Village will consider taking a GO Bond Referendum(s) to the voters.

1. General Obligation bond proposals would include an analysis showing how the new debt combined with the current General Obligation debt impacts on the Village's ad valorem tax rate.
2. General Obligation bonds must be issued to accomplish projects identified in the bond referendum and associated material.
3. General Obligation bonds may only be issued for projects that are consistent with the wording in the bond propositions.

The Village may also issue Non-Ad Valorem Revenue Debt for general government projects. Non-Ad Valorem Revenue Debt is repaid with any legally available revenues that are not derived from ad valorem taxes. The Village will ensure that the Anti-Dilution Test is satisfied for any new Non-Ad Valorem Debt issued.

6.6 Debt Structures

- The Village shall strive to issue bonds with a final maturity at, or below 30 years for , but in no case longer than the useful life of the asset.
- The Village shall seek level or declining debt repayment schedules and shall seek to retire 50% of the total principal outstanding within the average life of the bonds.
- There shall be no capitalized interest included in the debt structure except as specifically disclosed to the Council and justified by project needs.

6.7 Debt Refunding

The Village's financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the net present value savings of a particular refunding should exceed 3.0% of the refunded maturities in aggregate to offset the cost and time of a refunding debt issuance unless (1) a debt restructuring is necessary or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt.

6.8 Bond Proceeds

The use of bond proceeds will be tracked to allocate bond proceeds to specific project financed with the bond proceeds. If different projects with different allowable repayment sources are funded by the same issue, the proceeds will be allocated to each allowable funding source with a corresponding allocation of debt service. For example, if a single issue funded roads which may be paid by gas taxes as well as park that could only be paid by general governmental funds, debt service shall be allocated such that gas taxes may be used to pay an appropriate share of debt service.

Spending amounts and dates will be tracked to ensure compliance with any spend-down or arbitrage considerations.

Bond proceeds will be invested as required by any loan or bond covenants and, if no covenants control the investment, then as required by the Village's Investment Policy, subject to IRS rules and regulations.Interest earnings on bond proceeds will be limited to funding changes to the bond financed Capital Improvement Plan in compliance with the underlying debt authorization, cost overruns on bond projects, or be applied to debt service payments on the bonds issued. In the case of General Obligation bonds, issued but unspent bond proceeds may

be appropriated for projects consistent with the ballot language after completion of projects identified in the approved bond propositions.

6.9 Sale Process

The Village shall use a competitive bidding process in the sale of debt unless the nature of the issue or market conditions warrants a negotiated sale. The Village will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing. The Village shall award the bonds based on a true interest cost (TIC) basis. However, the Village may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid. Based on the fact that market conditions and the Village's needs change regularly, sales process parameters will be disclosed to and approved by the Village Council.

6.10 Underwriting Syndicates

In response to the MSRB Rule G-17, which recognizes that the motivations of an underwriter may not be consistent with the best interest of the Village, the Village shall refer underwriters to its Municipal Advisor to review potential refunding opportunities. The Village's municipal advisor is prohibited from underwriting the Village's bonds while under contract with the Village for municipal advisory services, and for a period of one year after termination of the municipal advisory contract.

. The Village may request its Municipal Advisor to assist the Finance Director in developing a Request for Proposals intended for underwriters for negotiated bond issues. The Village will not be restricted in the number of underwriters selected to support the Village in a negotiated bond sale.

6.11 Rating Agency Presentations

Full disclosure of operations and open lines of communications shall be maintained with the rating agencies. Village staff, with the assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies. Credit ratings will be sought from one or more of the nationally recognized municipal bond rating agencies, including but not limited to Moody's Investors Service, Standard & Poor's and Fitch Ratings Inc., as recommended by the Village's municipal advisor.

6.12 Bond Ratings

The Village will prudently manage the Governmental Funds, and Enterprise Funds if applicable, and attempt to issue and structure debt to help maintain or increase the current bond ratings.

6.13 Bond Insurance

The Village may utilize a municipal bond insurance policy or a debt service reserve surety policy if such a policy provides economic benefits to the Village.

6.14 Lease/Purchase Agreements

The Village may use lease/purchase agreements for capital items when it is cost-efficient and provides for more attractive terms than issuance of bonds or other forms of debt.

6.15 Pension Liability Policy

As provided in the Village Charter, House Bill 1373, the Council may not adopt any compensation plan for municipal employees or officers that incur unfunded liabilities or adopt a defined benefit plan. The Council may only adopt a defined contribution plan.

Section 7 Expenditures and Services

Purpose: The Village will identify services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of those services.

7.1 Purchasing and Vendor Selection

The Village shall maintain policies and procedures to ensure compliance with state laws relating to procurement of goods and services.

It is the policy of the Village that, when the lowest qualified bid is not the sole determining factor for a contract award, the contract shall be awarded to the highest ranked vendor based on merit as determined by a thorough evaluation by a selection committee. Merit factors that can be taken into consideration include qualifications, past experience, quality of team, equipment, scheduling, and proven performance. In accordance with Village code, Village Council approval is required on purchases above the Purchasing Administrator's purchasing limit. After purchasing staff verification that all applicable state laws, purchasing policies, and procedures have been followed, a recommendation for award is made to Village Council by staff.

Please reference the Village's Procurement Policy as adopted by the Village Council.

7.2 Maintenance of Capital Assets

Within the resources available each fiscal year, the Village shall maintain capital assets and infrastructure at a sufficient level to protect the Village's investment, to minimize future replacement and maintenance costs, and to maintain service levels.

7.3 Periodic Program/Service Reviews

The Village Manager and staff shall undertake periodic reviews of Village programs and services for both efficiency and effectiveness. Outsourcing and contracting with other governmental agencies and/or the private sector will be evaluated as alternative approaches to service delivery. Programs or services determined to be inefficient and/or ineffective may be recommended through the annual budget process to be reduced in scope or eliminated.

7.4 Outsourcing of Village Services

The Village provides many municipal services to its citizens covering a wide variety of disciplines. Attempting to perform all of these services in-house could dilute the Village's efficiency and not be cost effective. Two of the management tools utilized by the Village to maximize efficiency and cost effectiveness are outsourcing and managed competition processes. The economic benefits of competition include lower costs and improved quality of performance irrespective of whether a given service is ultimately performed in-house or outsourced.

Section 8 Cash Management and Investments

Purpose: The Village will maintain the Village's cash in such a manner so as to ensure the absolute safety of principal, to meet the liquidity needs of the Village, and to achieve the highest possible yield in compliance section 218.14 of Florida Statues and the Village's Investment Policy, as adopted by the Village Commission.

8.1 Investment Policy

All aspects of cash/investment management shall be designed to ensure safety and integrity of the Village's financial assets. Cash/Investment management activities shall be conducted in full compliance with prevailing

local, state, and federal regulations. The Village shall review its investment policies on a periodic basis. Please reference the Village's Investment Policy as adopted by the Village Commission.

The Village shall design and establish policies relating to a variety of cash/investment management issues, such as authorized investment institutions and dealers, permissible investments, maturity and liquidity requirements, third party custodial agreements, and such other aspects of the program, which necessitate standard setting in pursuit of appropriate prudence and enhanced protection of assets.

8.2 Investment Strategy

The Village of Coral Springs maintains a consolidated portfolio in which it pools its funds for investment purposes. The Village's investment program seeks to achieve safety of principal, adequate liquidity to meet cash needs, and reasonable yield commensurate with the preservation of principal and liquidity.

8.3 Interest Income

Interest earned from investments shall be distributed to the funds from which the funds were provided.

8.4 Arbitrage Investments and Reporting

The Village's investment position as it relates to arbitrage is as follows: Investments on bond proceeds will be made with safety of principal and liquidity in mind, but with a competitive rate of return. Investment of bond proceeds will be clearly tracked and investment earnings recorded for arbitrage purposes.

8.5 Depository Bank

The Village of Coral Springs will select its official bank depository through a formal bidding process in order to provide the Village with the most comprehensive, flexible, and cost-effective banking services available. Only officials authorized by the Village Commission through the depository contract may open accounts in the name of the Village or its component units.

All checks shall have two signatures. Three people shall be authorized to sign checks: the Village Manager, the Mayor, and the Vice Mayor. Signatures shall be affixed to all Village checks via facsimile signatures and are made with a secure laser check printing system.

8.6 Collateralization of Deposits

Florida Statutes, Chapter 280, Florida Security for Public Deposits Act (the "Act") prescribes the deposit authority of the Village. Deposits whose value exceeds the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 200% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. Village policy conforms to state statute.

Section 9 Grants

Purpose: The Village will seek, apply for, and effectively administer federal, state and local grants, which support the Village's current priorities and policy objectives.

9.1 Authority to Apply for Grant Funding

Only the Village Manager or an authorized designee may sign and submit grant applications on behalf of the Village of Estero. Village Council approval is not required in order to apply for a grant.

9.2 Coordination of Grant Policy and Grant Operations

The Village must be able to track and manage grants at all stages of the grants process from funding research through project closeout.

9.3 Acceptance of Grants

All grants award contracts awarded to the village must be reviewed and, if agreeable to the village, accepted in an expeditious manner. Grant award contracts which have a village funding match in excess of $75,000, or which require the village to indemnify the grantor in excess of prevailing insurance coverages, or which require the village to transfer an interest in village-owned land (other than the granting of a temporary easement) must be approved by the council. All other grant award contracts may be approved by the village manager.

Section 10 Cybersecurity Risk Management

Purpose: The Village will maintain and execute policy and procedures for safeguarding electronic information and systems throughout Estero. These guidelines will protect the rights of citizens and employees and to fully comply with Village policies and with State and Federal laws.

10.1 Information Security Policy

The village council has adopted an information security policy. The village staff is obligated to ensure compliance with council's adopted security policies so as to mitigate the security risk which can be created by unauthorized access, loss, release, destruction, or modification, to/of village electronic systems or data.

Section 11 Performance Management

Purpose: The Village shall create a Strategic Plan that identifies the strategic goals with corresponding key performance indicators (KPI) to help monitor and achieve the strategic goals.

11.1 Establishing Performance Requirements

Annually, each department, along with the Department of Budget and Strategy, shall develop and review existing departmental performance measures that directly support the successful achievement of strategic goals. The KPIs and targets shall measure and track the performance of core processes of the department and should reflect customer needs. The KPIs shall measure performance from one of the following "perspectives" (Measure Types): Impact, Demand, Efficiency and/or Effectiveness.

- Impact: Measures the resources being used by a department and/or the impact on the community. (Example: The number of calls responded to by staff and the cost associated to responding to those calls and/or the benefit of having a place for the resident to call).
- Demand: Measures the need for a specific service or program. (Example: The total number of incoming calls).
- Efficiency: Measures cost efficiency. (Example: Responding to all incoming calls while looking to reduce cost).
- Effectiveness: Measures how well an objective is achieved. (Example: The ability to effectively answer all inquiries and respond to all incoming calls).

Department directors along with the Department of Budget and Strategy shall establish performance measures for each division or program within their department to monitor and project program performance. These measures must be linked to the strategic goal(s) they support.

Supervisors shall negotiate fair and aggressive performance measures for each employee that directly support program objectives and departmental KPIs as part of the annual performance review process.

KPIs should have sufficiently aggressive "stretch" targets to ensure continuous improvement.

11.2 Establishing Data Tracking and Reporting Requirements

The Finance Department shall establish reporting frequency and "child measure" data to be tracked within each KPI (Parent Measure). The reporting frequency and child measure data must allow for detailed trend analysis and reporting.

KPIs that track the performance of department and/or division core processes shall be monitored and reported using the most frequent "reporting frequency" available and shall continue to be monitored while the core process is performed by the department and/or division.

11.3 Reporting Performance

Summaries of progress and departmental key performance indicators will be reported as deemed necessary by the Village Manager but will always be included in the annual adopted budget document.

11.4 Decision Making and Analysis

The Village's strategic/business planning and budgeting decisions are based on a number of advanced statistical, economic, and financial models. The specific tools used include but are not limited to:

- Citizen Surveys—Based on sound statistical sampling methods, a survey of residents and business owners will be conducted to gather widespread customer satisfaction, quality perceptions, and other attitudinal information.
- Citizen Focus Groups and Advisory Boards—Focus groups and advisory boards are teams made up of citizens and Village staff to address specific concerns and strategic priorities.
- Master Planning—Specific functions and processes are included in written plans, such as the Comprehensive Master Plan or the Storm Water Master Plan.
- SWOC Analysis - Strengths, Weaknesses, Opportunities, and Challenges are gathered from staff, Advisory Committee members, and other members of the community.
- Revenue Forecasting Model—Statistical time series analysis and tracking model of major revenue sources.
- Performance Management System—Established data and tracking methods
- Capital Budgeting Tools—Present value payback, net present value analysis, and own/lease analysis.
- Five-Year Financial Plan—Multiyear forecasting of revenues and expenditures.

Section 12 Management Structure and Operating Standards

Purpose: The Village will develop and maintain a management structure and operating standards that adhere to the principles of "government-lite" while providing forward-thinking, efficient, and transparent municipal operations.

12.1 Master Plans

Master Plans are designed to guide the future actions of a community by establishing long-range strategies focused on community development and sustainability. The Village will develop and maintain all statutory Master Plans including those deemed beneficial by the Village Manager or Council.

12.1.1 Capital Improvement Planning (CIP) and Master Plans

Management will adhere to the Village's financial policies and best practices during the development of master plans to allow for a smoother transition of long-range plans to be implemented and lessen the impact on the CIP and future operating budgets. Subsequently, to adequately guide the fiscal, operating, and land use needs of the community, management should use Master Plans as a framework for capital project requests that go into the CIP.

12.2 Management Structure

The Village governance model reflects the dual priorities of providing daily governance and the nimbleness to act on unique opportunities. The Village will maintain a highly educated and credentialed workforce to meet these unique demands.

12.3 Strategic Principles

The Strategic Principles of the Village:

- Practice outstanding ethics, by guarding against Council, Staff, and Board Member conflict of interest issues.
- Provide exceptional transparency by actively soliciting resident input and proactively distributing meaningful, comprehensible information to the public.
- Cultivate a sense of community by helping residents engage with one another and create a distinct Estero community.
- Preserve operational flexibility by maintaining zero ongoing pension liabilities and a commitment to limited staffing.
- Protect environmental assets by engaging in water quality management and open space preservation.

12.4 Operating Standards

The Operating Standards of the Village:

- Adhere to performance management, by implementing and tracking annual service delivery goals is based on quantifiable performance metrics.
- Coordinate universally strong customer service by working with service delivery partners to ensure all resident interactions are helpful.
- Mandate excellent construction practices by creating high standards for public and private projects and inspecting them with prudence and diligence.

- Maintain superb maintenance by prioritizing upkeep of current Village assets and by requiring such upkeep by private communities and businesses.
- Manage debt accumulation by identifying a specific source of funding in the budget sufficient to pay all debt service related costs.

Village of ESTERO

Village of Estero Financial Responsibility and Management Standards

Prepared by: Kevin Greenville, CPA Finance Director

Village of ESTERO

Background

Historically, Village financial and management policies have been scattered amongst different documents and legislative actions. It is Village management's intent to consolidate all financial and management policies into one comprehensive document. Along with the investment policy ordinance and procurement policy ordinance, these three policies will act as the guiding financial and management documents for the Village.

Village of ESTERO

Purpose

The Management and Financial Policy Statements, adopted through Ordinance by the Village Council, provide guidelines to Village staff in managing the organization and planning finances. Some policy statements are driven by requirements of State law or Village Charter, while others are formally documented through policies and procedures.

Village of ESTERO

Section 1 Accounting Auditing, and Financial Reporting

The Village will establish and maintain the highest standards of accounting practices in conformance with generally accepted accounting principles (GAAP) and comply with all statutory and legal requirements. The village will prepare and present reports that analyze and evaluate the Village's financial condition.

Village of ESTERO

Section 2 Consultants

The Village will employ qualified financial advisors and consultants as needed in the administration and management of the Village's financial functions. These areas include but are not limited to audit services, debt administration, and financial modeling. The Village shall implement evaluation criteria for each financial consultant to ensure the Village receives the highest quality services available.

Village of ESTERO

Section 3 Budget and Long-Range Planning

The Village will establish budget guidelines to encourage and maintain operations under the government-lite approach. These guidelines will allow the budget to serve as the culmination of the Village's annual planning, implementation, and evaluation process. Additionally, a long-range financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets.

Village of ESTERO

Section4 Fund Balances and Reserves

The Village will maintain the fund balance of the various operating funds and related reserves at levels sufficient to protect the Village's creditworthiness as well as its financial position during emergencies or economic fluctuations. Should the budgeted fund balance drop below the minimum identified by the policy below, the Village will establish a plan to replenish the balances to the minimum level in subsequent years.

Village of ESTERO

There are five categories of Fund Balance in all governmental funds, not all will always be present. The categories are defined below:

1. Non-spendable- cannot be spent due to being non-spendable in form or the Village being legally or contractually required to maintain this amount intact. For example, inventories and prepaid amounts are considered non-spendable.
2. Restricted- balances are subject to external restrictions from creditors, grantors, contributors, or laws of other governments.
3. Committed- use of funds is only for specific purposes as determined by Village Council.
4. Assigned- intended use of balances for specific purposes is established by the Village Council or delegated to the Village Manager that is neither restricted or committed and includes the remaining positive balance of all governmental funds.
5. Unassigned- excess funds that have not been classified in the previous four categories for the general fund. This category represents the portion of fund balance which is not obligated or specifically designated and is available for general purposes. Unassigned fund balance would also include deficit residual balances for any governmental funds after reporting amounts as restricted, committed, or assigned fund balances. Deficit amounts cannot be reported for restricted, committed, or assigned fund balances in any fund.

Village of ESTERO

The Village proposes to keep the following reserves:

General Fund Committed Fund Balance – Emergency Reserve: The minimum level for the Emergency Reserve is 50% of General Fund budgeted expenditures less transfers out and any uses of fund balances.

General Fund Committed Fund Balance – Operating Reserve: The minimum level for the Operating Reserve is 20% of General Fund budgeted expenditures less transfers out and any uses of fund balances.

General Fund Assigned Fund Balance – Litigation Reserve: The minimum level for the Litigation Reserve is $750,000. Given the geographical area is prone to legal challenges, these funds are to be used in the event legal action is taken, or, conversely, in an instance where the Village seeks a legal remedy to protect the public interest.

General Fund Assigned Fund Balance – Major Road Maintenance Reserve: The Major Road Maintenance Reserve was established in fiscal year 2019-2020 with an initial contribution of $300,000 with 3% annual growth adjustments, unless directed otherwise by supermajority Council approval of an Ordinance amendment.

Village of ESTERO

Section 5 Capital Expenditures and Improvements

The Village will review and monitor the state of the Village's capital equipment and infrastructure annually, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

Village of ESTERO

Section6 Debt

The Village will establish guidelines for debt financing that will provide needed facilities, land, capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

Village of ESTERO

Section 7 Expenditures and Services

The Village will identify services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of those services.

Village of ESTERO

Section 8 Cash Management and Investments

The Village will maintain the Village's cash in such a manner so as to ensure the absolute safety of principal, to meet the liquidity needs of the Village, and to achieve the highest possible yield in compliance section 218.14 of Florida Statues and the Village's Investment Policy, as adopted by the Village Commission.

Village of ESTERO

Section 9 Grants

The Village will seek, apply for, and effectively administer federal, state and local grants, which support the Village's current priorities and policy objectives.

Village of ESTERO

Section 10 Cybersecurity Risk Management

The Village will seek, apply for, and effectively administer federal, state and local grants, which support the Village's current priorities and policy objectives.

Village of ESTERO

Section 11 Performance Management

The Village shall create a Strategic Plan that identifies the strategic goals with corresponding key performance indicators (KPI) to help monitor and achieve the strategic goals.

Village of ESTERO

Section 12 Management Structure and Operating Standards

The Village will develop and maintain a management structure and operating standards that adhere to the principles of “government-lite” while providing forward-thinking, efficient, and transparent municipal operations.

Village of ESTERO

QUESTIONS?

Slide 7

AGENDA ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
March 6, 2024

Agenda Item:

Approval of Ordinance No. 2024-02 regarding Village procurement policies.

Background:

At its meeting on January 24th 2024, the Village Council asked the Village Attorney to review the Village Code and to periodically bring back recommended revisions to remove or revise any outdated, preempted or lawfully questionable provisions, and to incorporate best practices as to the governmental/regulatory functions the Village performs.

The Village Attorney has reviewed the Village's procurement code, and has drafted the attached Ordinance 2024-02 recommending revisions to the current code. With respect to issues in the current code:

- One of the primary deficiencies of the current code is that it requires "competitive bidding" for purchases exceeding $10,000. However, many procurement events are for services which do not lend themselves to "bidding" (which seeks the lowest responsive, responsible bidder), but rather require a Request for Proposals, Invitation to Negotiate, or similar procurement method (allowing for the consideration of qualifications, availability, and other factors apart from just cost).

- Further, the current code's delegated procurement authority to the Manager of up to $50,000, which dates to the Village's incorporation, has become an unrealistically low amount, particularly given inflation and the much higher delegated authorities municipal heads in the region have.

- The current code requires a public bid opening and reading of all bids, which adds a cost and complexity to Village procedures not required outside of public construction projects.

- Most modern procurement codes provide for a list of commodities or services which, by their nature, are not subject to competitive solicitation. The current code does provide for such exemptions, but it is significantly limited. Therefore, Village staff are compelled to either wait to seek Council's approval to waive competition,

or to draft and publish solicitations knowing either that there is no competitive market for the commodity or service, or that a vendor's superior qualifications should prevail.

The draft Ordinance provides for a more comprehensive set of clear rules related to the Village's procurement function. It maintains the Village's ability to have flexible procurement options, while also ensuring the parameters of current applicable statutes are incorporated. The Ordinance creates a new procurement code which:

- The ordinance provides for definitions for terms used in the code.
- A more detailed list of commodities and services which are exempt from the solicitation process is set forth.
- Three categories of procurement are established which require progressively more detailed or formal procedures. Council approval will be required as to all transactions at or exceeding $75,000.
- Formal rules are provided related to the Manager's authority to make emergency purchases.
- The role and core function of the designated procurement official is established.
- Minimum solicitation requirements are provided to ensure vendors understand what the Village is soliciting and core requirements vendors will be required to adhere to should they be selected.
- The village's right to terminate all solicitations is formally set forth.
- A new section on source selection is created to set forth the options the Village has related to procurements.
- The process of waiver of competition is formalized.
- The unique rules applicable to construction and engineering services acquisition are set forth to ensure staff takes those requirements into account during the procurement process.
- Rules and procedures related to using a sole source provider are clarified.

- A new provision requiring vendors to comply with applicable public records laws is provided.

- A new provision has been added to clearly place the burden on vendors to ensure they do not submit trade secret documents or, if they do, that they mark information in advance, so the Village does not inadvertently release such information.

- A new provision on ethical conduct in the procurement function has been inserted which is designed to ensure employees take great care to always perform the procurement function in an ethical manner.

- A new provision on vendor conflicts of interest has been inserted, which will make it easier to suspend or debar vendors found to have conflicts.

- A formal anti-lobbying provision has been provided to ensure vendors do not attempt to circumvent the competitive process by approaching Village officials not involved in the procurement.

- Formal rules regarding how a vendor may protest a procurement decision, and the limits of the nature of such a protest, is provided.

- Formal authority for the Village staff to suspend or debar a vendor is provided.

The Village's finance staff have reviewed the provisions of the Ordinance, have provided their desired revisions and comments, and are supportive of the Ordinance's adoption.

Action Requested:

Motion to Pass first reading of Ordinance No. 2024-02 and set second reading for March 20, 2024.

Process and Timeline:

If Ordinance is adopted on first reading, a public hearing date will be set for the second reading.

Financial Impact:

The Ordinance brings the Village's procurement rules in line with procurement best practices and existing statutes, and improves the efficiency of the Village's procurement function. Therefore, there is no fiscal impact related to the Ordinance's adoption.

Prepared by: Robert Eschenfelder, Village Attorney

Attachments: Ordinance No. 2024-02

ORDINANCE NO. 2024 - 02

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF ESTERO, FLORIDA, AMENDING DIVISION 3 OF ARTICLE IV OF CHAPTER 2 OF THE VILLAGE CODE REGARDING VILLAGE PROCUREMENT METHODS AND PROCEDURES; MAKING RELATED FINDINGS; AND PROVIDING FOR SEVERABILITY, CODIFICATION AND AN EFFECTIVE DATE.

WHEREAS, Division 3 of Article IV of Chapter 2 of the Village Code addresses the Village's procurement functions; and

WHEREAS, these procurement rules were adopted by Ordinance 2015-06 and have not been revised since that time; and

WHEREAS, as the Village has grown and developed as a municipality, its procurement activities have become more frequent and complex; and

WHEREAS, the Village Attorney has examined the current procurement code and has recommended the revisions to that code as are set forth in this Ordinance so as to bring the Village's procurement rules in line with current state law and public procurement best practices; and

WHEREAS, the provisions in this Ordinance are in the best interests of the Village and its residents and business community.

NOW, THEREFORE, be it ordained by the Village Council of the Village of Estero, Florida:

Section 1. Division 3 of Article IV (Finance) of Chapter 2 (Administration) of the Village Code is hereby amended as follows:

DIVISION 3. – PROCUREMENT~~PURCHASING~~

Sec. 2-170. – Title and purpose.

This division shall be known and may be cited as the Estero procurement code. The purpose of this division is to provide for the fair and equitable treatment of all persons involved in public procurement activities of the village, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

Sec. 2-171. – Application.

(a) This division applies to solicitations and contracts entered into for the purchase of goods, services, and construction. Unless otherwise expressly provided, any subsequent amendment to the procurement code shall only apply to solicitations and contracts issued or entered by the village after the effective date of such amendment.

(b) This division is to be construed in a manner consistent with any applicable provision of the general and special laws of the state and shall not apply to the extent any provision is in conflict therewith, provided, however, the provisions of this division may supersede such general or special law where the general or special law permits such an application or interpretation.

(c) Except as provided in this division, it shall be unlawful for any employee to order the purchase of, or make a commitment to purchase goods or services other than through the provisions of this division.

Sec. 2-172. – Definitions.

The following words, terms, and phrases shall have the meanings ascribed to them in this division except where the context clearly indicates a different meaning:

Bid means an offer by a bidder to provide materials or to perform specified work under specified conditions for a specified price. Bids may be written or electronic, and may, in the village's sole discretion, require contemporaneous submission of a bid bond. Bids must not contain any exceptions or conditions which would preclude the village from accepting the bid and forming a contract. Conditional bids shall be deemed non-responsive.

Bidder means any business that offers materials or services to the village for a given price and specified terms. The term shall include offerors and respondents to solicitations or request for quotes.

Business means any sole proprietor, corporation, partnership, joint venture or other entity that is duly licensed, if required, and authorized to transact business in the state.

Change order means any adjustment to the original quantities or scope of work of a solicited material or service.

Emergency means a state of emergency as declared under the provisions of article II of chapter 10 of the village code, or as declared by the Lee County Commission, the Governor of the State of Florida, or the President of the United States.

Materials/goods/commodities means and includes anything that is a tangible product, including but not limited to vehicles, food, computers, computer software, and lumber. The term does not include services.

Purchase order means a document issued by the procurement official that memorializes the village's acceptance of a quote or bid for the provision of goods or services. A purchase order sets forth the descriptions, quantities, prices, discounts, payment terms, date(s) of performance or shipment, and any other other associated terms and conditions, and will identify the vendor. Purchase orders may be in either paper or electronic form, and may contain standard terms and conditions which may be incorporated by reference in village solicitation documents. Businesses submitting bids, quotes, or other offers to the village are deemed to have reviewed the village's standard purchase order terms and conditions. Unless the village elects to contract with a business by way of a stand-alone contract, the purchase order's standard terms and conditions shall be deemed to have been accepted by such businesses as evidenced by the submission of a quote or bid.

Quote means a flat or unit price provided by a business for any service or material being sought by the village where a formal procurement method is not being used. For purposes of this section, it shall also mean a price list, publicly advertised price, web-based price list, or any other means by which the business communicates its prices to potential customers. Quotes may be provided to village staff verbally, in writing or via electronic means. In the event village procurement staff obtain verbal quotes, they shall keep a record of the quotes received.

Responsible vendor means a vendor which is fully capable to meet all of the requirements of the village's solicitation standards and requirements, and the obligations as may be set forth in the village's purchase order terms and conditions or proposed alternative form of contract. A responsible vendor must possess the full capability, including financial, legal, logistical and technical, to perform as contractually required, and be able to fully document the ability to provide good faith performance. The village's assessment of vendor responsibility will include consideration of all relevant information bearing on a vendor's qualifications, including the historical performance record of the vendor and the vendor's named subcontractors or proposed partners, past performance of similar work or provision of similar commodities or services to the village, the vendor's experience on similar projects, the vendor's references, potential conflicts of interest based on existing business or contractual relationships, the vendor's history of having been suspended or debarred by any governmental agency, whether the vendor has been sued for breach of contract or criminally charged for fraud, bribery, collusion, or similar public corruption crimes, within the prior three years. Vendor responsibility shall be determined in the village's sole judgment.

Responsive vendor means a vendor which has submitted a response to a village solicitation which fully conforms in all material respects to all of the solicitation's specifications and requirements, including providing responses to each question or request for information, and the provision of any supplemental documents, forms, bonds, proof of insurance, or other records or materials required by the solicitation to be included in the response.

Sealed competitive bid means a bid, containing the bidder's offered price and terms, submitted to the village in response to an invitation to bid process, whereby all responses remain sealed until a specific date and time, after which no more bids may be received, and the bids received are then opened for tabulation and evaluation for bidder responsibility and bid responsiveness.

Service means intangible labor products including but not limited to accounting, cleaning, consultancy, engineering, and maintenance.

Solicitation means the act of obtaining firm prices for goods or services, and/or proposals or qualifications from businesses to address the operational needs of the village. A solicitation may include informal requests for price quotes, or the formal issuance of an invitation to bid (ITB), request for proposal (RFP), invitation to negotiate (ITN), request for qualifications (RFQ), or any other form of competitive solicitation the village may use when seeking to acquire goods or services.

Specifications means any description of a good's physical or functional characteristics, or the nature of materials or services being solicited. The term may include a description of equipment performance or characteristics, the quality, origin or functionality of goods, the means and methods of the provision of services, engineered drawings or construction plans, warranty requirements, as well as any requirements for inspecting, testing, or preparing a good or service for delivery.

Sec. 2-173. Exemptions.

(a) This division does not govern procurement of the following:

(1) Inter-governmental agreements entered pursuant to Florida Statutes § 163.01;

(2) Purchases made with the proceeds from any grant, gift, bequest, or donation to the extent the application of this division would conflict with the requirements, conditions, or limitations attached to the grant, gift, bequest, or donation;

(3) Payment of dues and memberships in trade or professional organizations, professional licenses, and trade publications;

(4) Subscriptions to periodicals and newspapers;

(5) Acquisition of real property by easement, lease, license or purchase;

(6) Acquisition of legal advertisements, postage, shipping, and courier services;

(7) Acquisition of the services of law firms or other outside counsel for any reason, nor to expert witnesses, appraisal services, trial consultants or similar persons of firms deemed by the village council as necessary to address the village's legal needs. Such firms or persons shall be selected by the council or, when authorized by council, the village manager or village attorney;

(8) Water, sewer, gas, electrical, and other utility services;

(9) Funds expended by the village in the form of grants to non-profit entities performing economic development, social services, or serving similar public purposes;

(10) Fees and costs incurred in authorized professional development activities including registration, lodging, travel and meal costs to attend trade or professional seminars, trainings and conferences;

(11) Purchase of insurance brokerage service and related policies to protect the property and other interests of the village;

(12) Any purchase governed by explicit provisions of general law, village code or other council resolutions unless the solicitation indicates the applicability of this division, and then this division shall apply only to the extent set out in the solicitation;

(13) Lobbyist services;

(14) Professional medical services;

(15) Professional services required for the issuance of village bonds and village investments related thereto;

(16) Procurement of music ensembles (bands), artists, and other entertainment providers associated with village sponsored events;

(17) Acquisition of items purchased for resale to the public;

(18) Certified public accountants (except for auditing services as set forth in Florida Statutes § 218.391);

(19) Employment agreements for persons to be regular or short-term employees of the village;

(20) Funds to acquire instructional materials or copyrighted materials being purchased from the owner of the copyright;

(21) Owner-direct purchases of construction materials included in the scope of an awarded construction contract in order to realize sales tax savings, in accordance with Florida Statutes § 212.08(6) and Florida Administrative Code Rule 12A-1.094.

(22) Real property appraisal services;

(23) Abstracts and academic research;

(24) Expenses related to existing agreements to maintain or service proprietary equipment or software previously acquired by the village;

(25) Consulting services related to the management of village operations, initiatives or programs;

(26) Consulting services related to financial planning, financial management, or financial policy and program development;

(27) Sale, conveyance or other disposition of real property owned by the village, or disposition of any interest therein including the granting of an easement, lease or license, as well as services for real property title abstracts or title insurance related to such conveyances.

(b) Notwithstanding the foregoing, with the exception of the acquisition of utility services with rates established by the Florida Public Service Commission, a contract for the purchase of goods or services exempted in this section must be approved by the council if the resulting contract is for an amount which requires council approval as provided for in this division.

Sec. 2-174. – Procurement categories.

(a) Purchases of goods or services shall be made in accordance with the following threshold amounts and processes:

(1) Category One (direct purchase): $0.01 to $9,999.99.

a. The procurement official is authorized to procure with budgeted funds a good or service with a delivered value less than $10,000.00 without competition. Notwithstanding this authorization, the procurement official shall act with fiscal responsibility and in the best interest of the village.

b. If a purchase under this subsection is not accomplished through the use of a standard village contract or standard terms set forth in a village-approved purchase order, the procurement official must examine the vendor's contract terms (including contract terms set forth by way of online links incorporated by reference) to ensure such terms are acceptable to the village.

c. While the acquisition of small dollar commodities or services do not usually carry significant risk of loss, to the extent the nature of the commodities or services being acquired under this subsection or subsection (2) below may generate a significant risk of loss, the procurement official must first consult with the appropriate village insurance and risk management providers to ascertain whether there is a need to require the vendor to provide enhanced insurance coverage.

d. Single purchases or contracts shall not be broken down to lesser amounts to avoid the requirements of competitive solicitation set forth in subsections (a)(2) and (3) below.

(2) Category Two (informal purchase): $10,000.00 to $74,999.99.

a. Three quotes must be solicited from vendors prior to a request for purchase order or contract. Such quotes must be solicited by the procurement official or, if by department staff, reviewed by the procurement official.

b. Purchases shall not be completed prior to a purchase order being issued by the village's procurement official or a separate contract is approved by the parties.

c. The manager may reduce the minimum number of quotes required if it is shown that the party requesting the purchase made a concerted effort to obtain quotes, but due to lack of market response was not able to obtain the minimum required quotes.

d. Nothing herein shall preclude the village manager from requiring the use of a formal competitive solicitation process for purchases within this category if the manager determines doing so would be in the village's best interests.

(3) Category Three (formal procurement): $75,000.00 and greater.

a. A formal solicitation must be approved by the procurement official and issued for the acquisition of goods or services within this category. Where the selection will be made based on the lowest price submitted by a responsive, responsible vendor, an ITB seeking sealed bids shall be used. Where the selection will be made based on vendor qualifications or experience as well as price, a RFP or similar alternative solicitation method may be used.

b. The solicitation shall include the detailed specifications and instructions to vendors as to how to respond. The solicitation document shall be approved by the procurement official prior to being issued, and shall state the dates of all relevant solicitation events including pre-submission conferences, deadlines for submission of vendor questions, method of posting responses to vendor questions, process for evaluation of bids, proposals or other submissions, and the expected award date.

c. Procurements under this subsection shall be accomplished by use of a village approved purchase order form or an alternative form of agreement approved by the village attorney.

(b) The village manager is authorized to approve contracts within categories one and two to be paid from available budgeted funds without further action of the village council. The council must approve all non-emergency category three procurement agreements.

(c) The categories established in this section may be periodically reviewed by the council and revised to address the effects of inflation or the operational needs of the village.

Sec. 2-175. – Emergency procurement.

Subject to requirements of chapter 10 (emergency management) of the code, emergency purchases may be made from any unencumbered funding source as follows:

(a) In the event of a federal, state, or local declaration of emergency, normal procurement procedures and requirements shall be suspended, and the following procedures shall apply:

(1) The village manager shall be authorized to make any purchases she or he finds necessary to the continued operations of the village.

(2) If the cost of any purchase would have normally fallen within Category Five, a report of such purchases shall be made to the council at the earliest available council meeting after the emergency subsides.

(3) Waiver of purchasing procedures shall only pertain to purchases related to the emergency and associated restoration operations. At the time the declaration of emergency is lifted, normal purchasing procedures will resume.

(b) In the event of a situation which does not rise to the level of a declaration of emergency, but which the manager determines is likely to have a detrimental impact on the safety of citizens or the operations of the village if not rectified immediately:

(1) The manager shall be authorized to make purchases he finds necessary to alleviate the safety or operational issue.

(2) If the cost of any purchase would have normally fallen within Category Five, a full report of such purchases shall be made to the council at the earliest available commission meeting after the emergency subsides.

(3) Such purchases are limited to those directly associated with the specific issue or risk.

Sec. 2-1765. ~~–~~ Procurement official~~urchasing agent~~.

The ~~V~~village m~~M~~anager is hereby designated as the village's procurement official. The manager may designate one or more village employees to perform the functions of procurement official with respect to any village procurement activities or matters. ~~or the Manager's designee shall be the chief purchasing agent of the Village.~~ The procurement official shall be the primary point of contact for all current or prospective village vendors. The procurement official shall, with assistance from the village attorney as needed, be responsible for ensuring the village's solicitation and contract forms and procedures are in compliance with all applicable state and federal laws, village codes, and public procurement best practices.~~purchasing agent shall contract for, purchase, store and distribute all supplies, materials and equipment required by any office, department or agency of the Village the purchasing agent shall establish and enforce specifications, inspect or supervise the inspection of all deliveries and have full and complete charge of, and be responsible for, all supplies, materials, and equipment purchased for or belonging to the Village.~~

Sec. 2-177. – Minimum solicitation requirements.

Solicitations shall include product specification, service performance requirements, and other information sufficient to allow vendors to successfully respond to such solicitations. Solicitations shall also inform vendors of the non-negotiable contractual terms and conditions the village will require the successful vendor to accept upon award. Such terms and conditions may be set forth in the solicitation or incorporated by reference. Notwithstanding any provision in a solicitation to the contrary, responding vendors shall, upon award, be required to comply with all provisions of this division. Solicitations shall incorporate, directly or by reference to, the standards and conditions upon which the responses will be evaluated and selected, and, in solicitations for other than sealed bids, shall include the manner in which negotiations shall be conducted.

Sec. 2-178. – Cancellation of solicitations.

An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids, proposals or offers may be rejected in whole or in part, when it is for good cause and in the best interests of the village. The reasons therefor shall be made part of the village's files. Each solicitation issued by the village shall state that the solicitation may be canceled and that any bid, proposal, or offer may be rejected in whole or in part when the village determines, in its sole discretion, doing so is in the village's best interests. Notice of cancellation/rejection shall be published or posted in the same manner as notice of the solicitation. The notice shall identify the solicitation, explain the reason for cancellation or rejection and, where appropriate, explain that an opportunity will be given to compete on any re-solicitation or any future procurements of similar items.

Sec. 2-179. - Source selection and waiver of competition.

(a) The methods and policies governing the selection of sources shall be those established in this division, or by administrative procedures and standards approved by the manager, and may include, but shall not be limited to, competitive sealed bids, proposals, requests for qualifications, invitations to negotiate, proposals submitted for competitive negotiation, proposals for designated professional services, noncompetitive purchases, purchases with limited competition, emergency purchases, sole source purchases, piggyback and cooperative purchases, and any adopted exceptions to the competitive selection procedure.

(b) Where not otherwise prohibited by law, the manager (council for category 3 contracts) is authorized to provide for the limited or complete waiver of competitive source selection policies and procedures upon a determination that the likely, non-speculative cost of competitive purchasing would exceed any potential savings and benefit to the village, or upon a determination that the acquisition of the goods or services should be provided by a unique source or provider based upon particular skills and expertise. Recommendations by village staff to the manager or council for all such determinations shall be made in writing by the procurement official or relevant department director. In the event emergency conditions prohibit the convening of the council to grant a waiver of competition as to category 5 level purchases, the manager is authorized to approve of such a waiver.

Procurement waivers which otherwise would have required council approval must be ratified by the council at its first regular meeting after the waiver has occurred.

Sec. 2-180. – Construction contracts.

(a) If a contract for construction of buildings or infrastructure is estimated, in accordance with generally accepted cost accounting principles, to cost more than the threshold amounts set forth in Florida Statutes § 255.20, such contract shall be competitively awarded to a licensed contractor fully legally authorized to conduct business in the state by use of the competitive solicitation rules set forth in that statute.

(b) The selection procedures shall be consistent with this division and any administrative procurement procedures adopted by the manager. In addition to such other solicitation publication methods used by the village, construction projects projected to cost more than $200,000 must be advertised in the manner set forth in Florida Statutes § 255.0525(2)-(5).

(c) Projects shall not be divided so as to evade the threshold amounts listed in Florida Statutes § 255.20. Unless otherwise defined by law, as used in that subsection, the term "project" shall not include those portions of multiyear capital improvement projects not funded beyond the current fiscal year. The term shall also not include any series of construction activities on a new or existing village facility which, if aggregated, would exceed the threshold amounts, but which were not undertaken contemporaneously with each other, were not part of an overall coordinated construction or renovation effort, and which were not performed under the same construction permit.

Sec. 2-181. – Certain professional services.

(a) Unless prevented from doing so based on a valid public emergency, when the village procures architecture, professional engineering, landscape architecture, or registered surveying and mapping services, it shall, when such services must be procured for a project the basic construction cost of which is estimated by the village to exceed the category five threshold amount, or for a planning or study activity when the fee for professional services exceeds the threshold amount provided in category two, as those categories are set forth in Florida Statutes § 287.017, engage in the competitive solicitation process set forth in Florida Statutes § 287.055.

(b) Nothing in subsection (a) above shall be construed to prohibit a continuing contract, as defined by Florida Statutes § 287.055(2)(g), between an architecture, professional engineering, landscape architecture, or registered surveying and mapping services firm and the village.

Sec. 2-182. – Design-build procedures.

(a) *Public announcement.* The village shall publicly advertise in a uniform and consistent manner on each occasion when design-build services are required except in cases of public emergencies. The advertisement shall include a general description of the project and shall

indicate how, and the time within which, interested design-build firms may apply for consideration.

(b) *Legal qualification.* Any firm or individual desiring to provide design-build services to the village must first be determined legally qualified. To be legally qualified:

(1) Firms must be properly certified to engage in contracting through a certified or registered general contractor or a certified or registered building contractor as the qualifying agent;

(2) Firms must be properly certified to practice or to offer to practice engineering, architecture, or landscape architecture; and

(3) The firm shall be duly qualified to perform its proposed service under any other applicable law.

(c) *Selection committee.* A selection committee appointed by the village manager which shall be used to evaluate and rank the design-build firms and their responses for recommendation to the manager or council depending on procurement category.

(d) *Solicitation.* The procurement official shall develop a request for proposals to solicit proposals from interested, qualified design-build firms. Except as otherwise provided in Florida Statutes § 287.055(9)(c), with the use of a qualifications-based selection process, the RFP shall contain as a minimum the following:

(1) The design criteria package defined in Florida Statutes § 287.055(2)(j).

(2) The criteria, procedures, and standards for the evaluation of design-build contract proposals, based on price, technical and design aspects of the public construction project, weighted for the subject.

(3) Requirements for determining qualifications of firms proposing, such as license, list of subcontractors, architect and engineer, and references.

(4) Terms and conditions of proposed agreement.

(5) Other items as required by procedures, laws, ordinances, or prevailing circumstances.

(e) *Selection.*

(1) All information required by the RFP shall be submitted in a sealed manner (which may include sealed envelope if the submission is required to be in that form or via an online proposal submission system if the village requires submission in that manner). Except as otherwise provided in Florida Statutes § 287.055(9)(c), with the use of a qualifications-based selection process, all proposed designs and price proposals shall be submitted separately via the same sealed submission process, with the design and

price proposals opened and considered by the selection committee for shortlisted firms only.

(2) The selection committee shall review all proposals (except the separately-submitted proposed designs and price proposals) and shall create a shortlist of no less than three design-build firms as the most qualified, based on the qualifications, availability, and past work of the firms, including the partners or members thereof. In evaluating the proposals and preparing the shortlist, the committee shall consult with the design criteria professional concerning the evaluation of the responses submitted by the design-build firms. Once the committee has shortlisted, except as otherwise provided in Florida Statutes § 287.055(9)(c), with the use of a qualifications-based selection process, the committee shall open the separate envelopes containing the proposed design solutions and the price submitted by the shortlisted firms. The committee shall then rank the shortlisted firms based upon the evaluation criteria and procedures set forth within the request for proposal. The committee may, if necessary, require verbal presentations from all firms in order that the qualifications and/or proposals may be clarified.

(3) After the committee has ranked the shortlisted firms based upon the award criteria set forth within the request for proposal, the ranking shall be presented to the council which may approve, disapprove or request modifications to the recommended rankings be brought back at a subsequent meeting. Following the ranking by the council, the village's procurement official (assisted as needed by relevant village staff and professional consultants) shall attempt to negotiate a contract within the parameters of the design criteria package or the results of the qualifications-based selection process and in accordance with council's ranking.

(f) *Contract.*

(1) Under the oversight of the village manager, the procurement official (assisted as needed by relevant village staff and professional consultants) shall negotiate a design-build contract at a price which the manager determines is fair, competitive and reasonable. If the village is unable to negotiate a satisfactory contract with the first ranked firm, then it shall formally terminate negotiations with such firm and then undertake negotiations with the second ranked firm and shall continue this process until a satisfactory contract is negotiated.

(2) The contract negotiated by the staff shall be submitted to the council for consideration and approval.

(g) *Public emergencies.* If a public emergency is declared and a design-build procurement must proceed during such emergency, a negotiating committee may be formed by the manager and authorized to negotiate with the best qualified design-build firm available at that time for the design and construction of a capital project. To the extent practical, the village shall solicit letters of interest in order to determine the best qualified design-build

firm available at the time. The contract negotiated by such committee shall be subject to ratification by the council.

(h) *Conflict between procedure and law*. In the event Florida Statutes § 287.055 is subsequently amended such that its requirements conflict with the provisions of this procedure, the provisions of the statute shall prevail, and the village manager or village attorney shall make such recommendations for revision to these procedures as to conform them to the law.

Sec. 2-183. – Sole source procurement.

(a) *Commodities or contractual services*. Commodities or contractual services available only from a single source may be excepted from any otherwise applicable solicitation requirements provided in this division. When the village believes that desired commodities or contractual services are available only from a single source, the procurement official shall electronically post a description of the commodities or contractual services sought for a period of at least five (5) business days. The description must include a request that prospective vendors provide information regarding their ability to supply the commodities or contractual services described. Posting shall not be required for desired commodities or contractual services for category I purchases. If it is determined in writing by the procurement official after reviewing all relevant information, including information received from prospective vendors as a result of a required posting, that the commodities or contractual services are in fact available only from a single source, the village may enter into a sole source agreement.

(b) *Construction materials*. In any case where the village seeks to purchase materials for the construction, modification, alteration, or repair of any village-owned facility from a sole source, the council must first make the written findings required by Florida Statutes § 255.04.

Sec. 2-184. - Cooperative procurement, piggybacking.

(a) *Cooperative procurement*. Unless otherwise prohibited by law or grant agreement terms, the procurement official is authorized to negotiate with other public procurement officials for the conduct of a joint procurement on behalf of each participating public agency where, in the judgment of the village manager, doing so would leverage the benefits of volume purchases, create clear delivery and/or supply chain advantages, and/or create a demonstrable and substantial reduction of administrative time and expense. Examples of cooperative procurement events can include joint solicitations or use of a third-party aggregator or broker.

(b) *Piggybacking*.

(1) In any agreement for the acquisition of goods or services between the village and a vendor which has resulted from a competitive solicitation process, such agreement may be utilized by other public agencies to acquire the same goods or services, on condition

that the contracting vendor consents to enter into a piggyback agreement with such other public agencies. In such instances, the village shall not be a party to such agreements.

(2) The procurement official is authorized to acquire goods or services by use of an existing agreement between a vendor and another public agency where such agreement has resulted from a competitive solicitation process. Purchases made in this manner should not substantially differ in specification, scope, quality or price from the terms of the initial agreement. The piggybacking agreement must be consistent with the parameters, requirements, and restrictions of the initial agreement. In the event the initial agreement provides for options to extend or renew, the village may exercise such rights irrespective of whether the original public agency exercises such rights.

Sec. 2-185. – Public records compliance.

Pursuant to Florida Statutes, Section 119.0701, in any agreement entered into by the village wherein the contractor is acting on behalf of the village, the contractor must:

(a) Keep and maintain public records that ordinarily and necessarily would be required by the village in order to perform the service.

(b) Provide the public with access to public records on the same terms and conditions that the village would provide the records and at a cost that does not exceed the cost provided in Florida Statutes, Chapter 119 or as otherwise provided by law.

(c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.

(d) Meet all requirements for retaining public records and transfer, at no cost, to the village all public records in possession of contractor upon termination of the agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the village in a format that is compatible with the village's information technology systems.

Sec. 2-186. – Trade secrets.

(a) Florida law provides that trade secret information, as defined in Florida Statutes § 812.081(1)(c), is confidential and exempt from public records disclosure.

(b) Upon receipt of a response to a procurement solicitation, the village will not be aware that a bid, proposal, or other response contains such information. Therefore, bidders, proposers or other persons or entities responding to village solicitations must specifically and clearly identify all portions of their responses which are believed to be a trade secret, as defined by the law, and must, as to each such designation, provide the basis upon which the designated information is a trade secret. The mere designation of an entire submission as

"confidential" will be insufficient to comply with this requirement. Absent some unusual justification, a bidder's or proposer's contract price shall not constitute a trade secret.

(c) While the village will, to the extent possible, cooperate in any court action a bidder, proposer or responder may bring against any third-party requesting to inspect and copy portions of a response asserted to be a trade secret, if a bidder, proposer or responder fails, prior to the submission of their materials to the village, to specifically and clearly designate information therein as a trade secret and to provide the supporting explanation for the designation, the right to assert the exemption may be lost, and the information may be subject to inspection and copying as otherwise provided for under Florida's Public Records Act.

(d) In the event any record designated as a trade secret is requested under the Act, the procurement official will consult with the village attorney and, if the village attorney agrees with the designation, the village will assert the exemption and redact the relevant materials. If the village attorney disagrees with the designation, the bidder, proposer or responder may file an injunctive or declaratory judgment action and seek such emergency orders as desired to protect the information.

Sec. 2-187. Unauthorized purchases, ethical conduct, sanctions.

(a) *Prohibition*. Except as provided in this division, it shall be a violation of this division for any village officer, employee, or other person, to knowingly and willingly order the purchase of any goods, or make any contract for goods or services, sell, trade or dispose of material within the purview of this division in the name of or on behalf of the village, except as provided by policies of the council and any administrative procurement procedures promulgated by the village manager, and the village shall not be bound by any purchase order or contract made contrary to this division.

(b) *Ethical conduct and sanctions*. In addition to any sanctions provided for in the village's personnel policies or sections of this division, any village employee who violates subsection (a) above, or any statute concerning ethical conduct in procurement may, when found by the village manager to have committed such violation, be required to forfeit all or any part of any accrued leave balances he/she may otherwise have as of the date the violation is confirmed. In determining whether such forfeiture shall be required, the manager shall consider the nature and severity of the offense, the relative financial or legal harm to the village, the employee's prior disciplinary record, and whether the employee was in a managerial or special trust position.

Sec. 2-188. – Conflicts of interest.

(a) *Prohibiting contracts where conflicts are found to exist*. The illage shall not engage in contracts with consultants or professionals whose prior record, work history, and experience indicate ongoing business relationships that may be substantially in conflict with the duties and services that will be required by the village.

(b) *Standards and regulations for the determination of potential conflicting contractual obligations*. The village manager or designee is authorized to develop standards and regulations for the prospective determination of potential conflicting contractual obligations that may impair the performance of the professionals or consultants solicited by the village. The standards and regulations shall set forth appropriate requirements based upon the nature and scope of the services that are to be procured and shall be narrowly tailored so as to not unduly restrict competition, while assuring the village of undivided loyalty and services of the highest quality. The standards and regulations may require, but shall not be limited to, the inclusion of the following in a request for proposals, invitation for bids, announcement or other solicitation or contract for professional or consulting services:

(1) An affidavit providing that the professional or consultant is not currently engaged or will not become engaged in any obligations, undertakings or contracts that will require the professional to maintain an adversarial role against the village or that will impair or influence the advice or recommendations provided to the village;

(2) The disclosure of all potentially conflicting contractual relationships and the full disclosure of contractual relationships deemed to raise a serious question of conflicts.

(c) *Consequences for violation of ethical standards*. In addition to any other penalty or consequence provided for in law or this division, any professional or consultant submitting false information to or on behalf of the village, disclosing or releasing information concerning an actual or planned procurement activity which information is deemed confidential, or is otherwise not known to the general public, or otherwise repeatedly failing to comply with the village's ethical standards and regulations, shall be deemed to be in violation of this division and shall be subject to prosecution, state ethics complaints, reporting to professional or licensing authorities, contract cancellation, suspension and/or debarment, as the village deems appropriate.

(d) *Professional or consultant defined*. Professional or consultant as used in this section shall be deemed to include those contractors who, as individuals or duly organized business entities, have been or will be retained by the village for the purpose of providing recommendations or advice related to planning level or policy level decisions, or who will be engaged in the collection of data or research that will provide the basis for such decisions or future plans and actions of the village, as well as those who will be retained to supervise and monitor the performance of contractors or subcontractors of any nature.

Sec. 2-189. Lobbying limitations.

After the issuance of any solicitation, or during renegotiation of an existing contract, no prospective offerors or their agents, representatives or persons acting at the request of such offerors shall contact, communicate with, or discuss, either in person, by phone, email or text message, any matter relating to the solicitation or the renegotiation with any village officers, agents or employees (including the village council and village manager) other than the purchasing agent designated in the solicitation, unless otherwise provided for in the solicitation or otherwise directed by the

designated purchasing agent or procurement official. This prohibition includes copying such persons on written communications with the purchasing agent, but does not apply to presentations made to evaluation committees or at a council meeting where the council is considering approval of a proposed contract. The prohibition ends upon execution of the final contract or when the solicitation has been canceled or the renegotiation efforts are terminated. Renegotiation will be deemed to have commenced upon vote of the council directing renegotiation or on issuance of a written notice from the procurement official to the existing contractor instituting a renegotiation process. Failure of businesses seeking to conduct business with the village to strictly adhere to this section will result in the offender's bid, proposal or response being disqualified from further consideration, and may also result in the suspension or debarment of the offending business.

Sec. 2-190. – Prohibition against award to certain persons or entities.

No person or business entity shall be awarded a contract by the village for the provision of commodities or services if that person or entity:

(a) Has been convicted of bribery or attempting to bribe a public officer or employee of the village, or any other public entity, including but not limited to the Government of the United States, any state, or any local government authority in the United States; or

(b) Has been convicted of a conspiracy or collusion among prospective offerors in restraint of freedom of competition, by agreement to offer a fixed price, or otherwise; or

(c) Has been convicted of a violation of an environmental law that, in the reasonable opinion of the village manager, establishes reasonable grounds to believe the person or business entity will not conduct business in an environmentally responsible manner; or

(d) Has made an admission of guilt of such conduct described in subsections (a), (b) or (c) above, which is a matter of record, but has not been prosecuted for such conduct, or has made an admission of guilt of such conduct, which is a matter of record, pursuant to formal prosecution, but which results in adjudiciation being withheld.

Sec. 2-191. – Protests.

(a) *Purpose and intent*. The purpose of this section is to provide an expedient administrative remedy for those participating in the village's procurement process. The proceedings under this section are not intended to be, and shall not be interpreted as judicial or quasi-judicial, unless otherwise clearly specified. It is not the intent of the village to provide any rights to protesters not otherwise required by law. Rather, the village's intent in creating a process for administrative review of solicitation award protests is to allow for legal or procedural errors in the solicitation process to be raised for the benefit of the taxpayers. Successful participation in any protest review does not ensure an award of a contract, and the village expressly reserves all rights it has under law.

(b) *Opportunity to protest*. Any actual bidder, proposer, or solicitation responder (protestor) who is aggrieved in connection with a notice of intent to award a contract, where such

grievance is asserted to be the result of a violation of the requirements of this procurement code or any applicable provision of law by the officers, agents, or employees of the village, or by the successful bidder, proposer or responding business, may file a protest with the procurement official. The protest process may only be used as a result of a formal solicitation. The process may not be used where the method of procurement is informal quote solicitations, or where a non-competitive procurement method such as piggybacking is used.

(c) *Protest procedure and requirements*.

(1) The protest shall be made in writing and filed with the village clerk by 4:00 p.m. on the fifth business day following the date of the electronic posting of the notice of intent to award or, if no notice of intent is issued, then following the date the protestor is informed of the award. A protest is considered filed when the village clerk is provided a copy of the protest by mail or courier service. A protest may not be sent via text or email. Failure to file a written protest within the time period specified shall constitute a waiver of the opportunity to protest.

(2) The written protest must be signed by an authorized officer of the protestor (sales agents or legal counsel are not authorized to sign protests), and shall identify the protesting party and the solicitation involved. Protests must include a specific detailed factual statement of the grounds on which the protest is based and shall cite the applicable statutes, laws, ordinances or other legal authorities which the protestor deems applicable to the grounds for the protest. Every basis for protest must be set forth in the protest. If a basis for protest is not included in the written protest, the protestor may not subsequently add the omitted basis to the protest. A protest which does not contain all of the content set forth above shall be deemed non-compliant and will not be processed.

(3) The protest shall not include challenges to the procedural solicitation requirements, chosen procurement method, the minimum qualifications, the scope of services sought, the evaluation criteria, the relative weight of the evaluation criteria, the formula specified for assigning points to the evaluation criteria. The protest may not be used a a vehicle to argue the protester's opinion regarding its qualifications or the qualifications of other responding vendors.

(4) The procurement process shall not be stayed during the protest process unless the procurement official, in his or her discretion, deems it to be in the best interests of the village to stay the process.

(d) *Authority to resolve protests*. The procurement official shall have the authority to settle and resolve a protest concerning the intended award of a contract. The procurement official will promptly investigate a timely, complete, and compliant protest, and issue a written decision within thirty (30) days of the date the protest is received, unless the complexity of the issues raised, or lack of resources require a longer period.

(e) *Review of the procurement official's protest decision*.

(1) Following the procurement official's written decision on the protest, the protestor may file a request for a review of the procurement agent's decision with the village manager. The request for review shall be made in writing and filed with the village clerk by 4:00 p.m. on the fifth business day following the procurement agent's transmission of the decision to the protestor.

(2) The request for review shall be solely limited to the protestor's argument that the procurement official's decision was not in accord with this division, village code, or applicable state or federal laws. Disagreements over disputed facts or judgment calls made by the procurement official are not proper subjects for a review request.

(3) The village manager will strive to issue a written decision within thirty (30) days of the date the request for review is received.

(f) *Final decision*. The decision of the village manager shall be final and conclusive as to the protest.

(g) *Protest bond or security*. The village council may, by separate resolution, establish a requirement for a protest bond. If a protest bond is required, the written protest must be accompanied by a security in the form of a protest bond (in a form and with such terms as approved by the village attorney) or cash in the amount set by the council. If the village manager determines that the protest does not require reversal of the village's initial decision, the village shall be entitled to recover the amount of the protest bond or security.

Sec. 2-192. – Authority to suspend or debar.

(a) After consulting with the village attorney and relevant village department head as needed, and after providing reasonable notice and reasonable opportunity for a person or entity being considered for suspension or debarment to be heard by the procurement official, the procurement official is authorized to suspend or debar a person or entity from consideration for award of contracts for cause. Cause shall include, but not be limited to, the following:

(1) Conviction for commission of a criminal offense relating to the obtaining or attempt to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract, or a civil or criminal final judgment of violation of state or federal whistleblower laws;

(2) Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a village contractor;

(3) Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;

(4) Violation of contract provisions, as set forth below, of a character which is regarded by the procurement official to be so serious as to justify debarment action;

(5) Deliberate failure without good cause to perform in accordance with specifications and/or budget or within the time limit provided in the contract; or

(6) A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment;

(7) A documented history of significant deviation from contract specifications, engineering standards, design or material requirements or safety regulations, where such history has first been presented to the contractor by the village, and who thereafter continues to engage in such deviations;

(8) Any other cause the procurement official determines to be so serious and compelling as to affect responsibility as a village contractor, including debarment by another governmental entity for any cause listed in this section or provided for in general law; and

(9) For violation of all applicable ethics standards, including the ethical standards set forth in this division, Florida Statutes Chapter 112, or in relevant grant funding requirements.

(b) Suspensions shall not exceed twelve (12) months per violation. Debarments shall not exceed five (5) years per violation.

(c) Suspension or debarment may apply to all contracting opportunities, or may be limited to certain types or categories of contracts, and likewise may be directed only to one or more distinct operating divisions or units of the suspended or debarred person or entity, depending on the nature and severity of the underlying facts supporting the action.

(d) Suspension or debarment also may be applied to any person or entity controlled by or affiliated with any suspended or debarred person or entity if the relationship or affiliation is such that, in the reasonable opinion of the procurement official, the person or entity, by reason of the relationship with the suspended or debarred person or entity, is likely not to conduct business in a responsible or lawful manner, or if the suspended or debarred person or entity is reasonably likely to benefit from contracts with such controlled or affiliated persons or entities. Factors the procurement official may consider in making such decisions include ownership interests, common board members, officers, facilities or employees, and existing family or contractual relationships. The procurement official may, in lieu of suspending or debarring such affiliated persons or entities, develop restrictions or special conditions the affiliated persons or entities must agree to in order to conduct business with the village during the suspension or debarment period. To the extent the procurement official exercises the right to suspend or debar affiliated persons or entities under this

subsection, he/she must provide those separate affiliates with the same notice and opportunity to be heard as is required in subsection (a) above.

Sec. 2-193. – Procedures related to suspension, debarment and reinstatement.

(a) *Notice of intent*. When the procurement official is considering imposing a suspension or debarment, he/she shall first provide a written notice setting forth the facts and circumstances supporting the proposed action, and setting a deadline by which the person or entity must submit a response. The response must, at a minimum, include detailed responses to the facts and circumstances set forth in the notice, copies of all relevant documents, and citation to any legal authorities or other cases the person or entity wants to have considered by the procurement official. Failure to timely file a response shall result in the procurement official's notice of intent to become final on the date of the deadline (or any extension thereof) set forth in the notice.

(b) *Opportunity to be heard*. In addition to the opportunity to submit a written response, if, after receipt of the response, the procurement official determines that it would be helpful for a meeting on the matter, or if a meeting is requested by the person or entity under consideration for suspension or debarment, then the procurement official shall conduct a meeting to listen to any presentation the person or entity wishes to make. No meeting request may be made by a person or entity under consideration for suspension or debarment unless a timely written response as provided for in subdivision (a) above has first been filed.

(c) *Final determination*. After considering the written response, and any presentation made during a subsequent meeting, the procurement official shall make a written decision to either withdraw the notice of intent, or to debar or suspend the person or entity. The final decision shall state the factual and legal reasons for the action taken and the term of the suspension or debarment.

(d) *Review of suspension or debarment*. Final notices of suspension or debarment shall be final and binding unless the debarred or suspended person or entity, within ten (10) calendar days of the decision, files with the village clerk a written notice to the village manager requesting review. Upon receipt of a timely review request, the manager may, in her or his discretion, request a written response from relevant village staff or other relevant persons or entities, schedule the matter for an in person or video conference discussion, or refer the matter to the village's special magistrate to consider. In any review of a final determination, the review shall be limited to determining whether there was factual support for the decision taken, that the decision does not violate any statute or ordinance, and that all required notices and process were provided by village staff. Neither side may present any new evidence, issue or legal argument not first presented to the procurement official.

(e) *Reinstatement*. The procurement official shall have the authority to reinstate any person or entity under an existing suspension or debarment period. To request reinstatement, the person or entity must submit to the village clerk a written request, which shall, at a minimum, include all relevant facts and documentation which the person or entity contends

supports the early termination of the suspension or debarment. Relevant factors include, but are not limited to, demonstrated rehabilitation, a change in ownership or control to innocent owners, restitution payments, subsequent court rulings, changes in the law, or where, in the procurement official's sole judgment, the village's interests would be adequately protected, and the person or entity to be reinstated is not likely to again engage in similar conduct. The procurement official may also grant limited reinstatement to respond to emergency contracting needs. As a condition of reinstatement, the procurement official may limit the nature and scope of contractual undertakings that must be satisfactorily completed before seeking additional contracts from the village.

(f) Copies of all suspension, debarment and reinstatement decisions shall be maintained by the procurement official's office and posted in an appropriate area of the procurement page of the village's website.

(g) The village manager is authorized to develop supplemental administrative procedures and forms not inconsistent with this division to facilitate implementation of the procedures set forth in this section.

~~**Sec. 2-176. Purchasing limitations; competitive bidding.**~~

~~(a) Purchases less than $10,000.00. Purchases of, or contracts for materials, supplies, equipment, improvements or services for which funds are provided in the budget, where the total amount to be expended is not in excess of $10,000.00 may be made or entered into by the Village Manager without submittal to the Village Council and without competitive bidding. Single purchases or contracts in excess of $10,000.00 shall not be broken down to amounts less than $10,000.00 to avoid the requirements of this section.~~

~~(b) Purchases more than $10,000.00 but less than $50,000.00. Purchases of or contracts for materials, supplies, and equipment, improvements or services for which funds are provided in the budget, where the total amount to be expended is in excess of $10,000.00, but which do not exceed $50,000.00, may be made or entered into by the Village Manager without submittal to the Village Council, but shall require compliance with the competitive bidding requirements set forth in Section 2-177. Single purchases or contracts in excess of $10,000.00 shall not be broken down to amounts less than $10,000.00 to avoid the requirements of this section.~~

~~(c) Purchases in excess of $50,000.00. The Village Council shall approve all purchases of or contracts for materials, supplies, equipment, public improvements or services where the total amount to be expended is more than $50,000.00.~~

~~(d) The Village Manager may not purchase or contract for any item or service which exceeds any budget appropriation until such a time the Village Council amends the budget to increase the appropriation to the applicable level.~~

~~**Sec. 2-177. Competitive bidding procedure.**~~

(a) Whenever competitive bidding is required by this division, the Village Manager shall direct that bid proposals which provide specifications for the purchase or contract be prepared.

(b) The Village Manager shall solicit sealed bids from at least three persons or entities engaged in the business of furnishing such materials, supplies, equipment and public improvements or rendering such services.

(c) The Village Manager may publish a public invitation to bid.

(d) Bids shall be awarded to the lowest, most responsive, responsible bidder, as determined by the Village Council and/or the Village Manager, as the case may be, subject to the right of the Village to reject any and all bids, to waive any irregularity in the bids or bidding procedures and subject also to the right of the Village to award bids and contracts to bidders other than the low bidder.

Sec. 2-178. Bid opening procedure; awarding of bids.

(a) Sealed bids shall be opened by the Village Manager or his appointed representative and recorded by the Village Manager or his representative on the date and time specified in the bid proposal.

(b) Whenever required by the bid proposal, all bid bonds, cash, insurance, checks or other security accompanying the bid shall be received and maintained for safekeeping by the Village Manager. The Village Manager shall be responsible for the return of the bid bonds, cash, insurance, checks or other security of unsuccessful bidders.

(c) Upon completion of the bid opening and reading, all bids received will be deposited with the Village Manager for tabulation and/or recommendation to the Village Council.

(d) Upon submission of the bid tabulation and recommendation to the Village Manager or Village Council, as the case may be, the Village Manager or the Village Council shall either accept, reject or refer for additional review the bid tabulation and recommendation.

Sec. 2-179. Waiver of competitive bidding procedures.

The Village Council may, by majority vote, waive the competitive bidding procedures outlined in this article if the Village Council determines that it is impractical to do so.

Sec. 2-180. Governmental contracts.

The Village Manager is hereby authorized to enter into bids or contracts entered into by other governmental authorities, provided that the governmental authority has followed a competitive bidding procedure leading to the award of the bid or contract in question which is substantially similar to the competitive bidding procedure outlined in this article.

Sec. 2-181. Exemptions from competitive bidding.

~~The following shall be exempt from the competitive bidding procedures outlined in this article:~~

~~(1) Transactions described in Section 2-176(a).~~

~~(2) Contracts for professional services.~~

~~(3) Other contracts as provided by State Law.~~

Section 2. For purposes of codification of any existing section of the Estero Village Code herein amended, words **underlined** represent additions to original text, words ~~**stricken**~~ are deletions from the original text, and words neither underlined nor stricken remain unchanged.

Section 3. If any section, subsection, sentence, clause, provision or word of this Ordinance is held unconstitutional or otherwise legally invalid, same shall be severable and the remainder of this Ordinance shall not be affected by such invalidity, such that any remainder of the Ordinance shall withstand any severed provision, as the Village Council would have adopted the Ordinance and its regulatory scheme even absent the invalid part.

Section 4. The Codifier shall codify the substantive amendments to the Estero Village Code contained in Section 1 of this Ordinance as provided for therein, and shall not codify the exordial clauses nor any other sections not designated for codification.

Section 5. Pursuant to Florida Statutes § 166.041(4)(a), prior to the date the public notice of the public hearing for this Ordinance was published, the Village prepared and posted on its website a business impact estimate which included: a) a summary of the Ordinance, a statement of the public purpose to be served by the Ordinance, b) an estimate of the direct economic impact of the Ordinance on private, for-profit businesses in the Village, c) an estimate of direct compliance costs that businesses may reasonably incur due to the Ordinance, d) identification of any new charge or fee on businesses created by the Ordinance or for which businesses will be financially

responsible, e) an estimate of the Village's regulatory costs and of revenues from any new charges or fees imposed on businesses to cover such costs, and f) a good faith estimate of the number of businesses likely to be impacted by the Ordinance.

Section 6. Pursuant to Florida Statutes § 166.041(4), this Ordinance shall take effect immediately upon adoption.

ADOPTED ON FIRST READING by the Village Council of the Village of Estero, Florida on the ___ day of _____, 2024.

ADOPTED ON SECOND AND FINAL READING by the Village Council of the Village of Estero, Florida on the ___ day of _____, 2024.

VILLAGE OF ESTERO, FLORIDA

Attest:

By: _____
Jon McLain, Mayor

By: _____
Carol Sacco, Village Clerk

AGENDA ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
March 6, 2024

Agenda Item:

Approval of Ordinance No. 2024-04 regarding Village investment policies.

Background:

On October 19, 2016, the Village adopted Resolution No. 2016-32 establishing that the Village would have no written investment policy for the investment of public funds more than amounts needed to meet current operating expenses apart from the baseline policy established by Florida Statues 218.415.

To improve the investment return of excess funds, the Village engaged Public Trust Advisors for investment advisory services in June of 2023. As part of their analysis, Public Trust Advisors recommended adopting a comprehensive set of written investment policies. This will allow the Village to take a more robust and long-term view of its investment strategy.

The purpose of this policy is to set forth the investment objectives and parameters for the management of public funds of the Village. These policies are designed to safeguard the Village's funds, provide for the availability of operating and capital funds when needed, and promote an investment return competitive with comparable funds and financial market indices.

The proposed Ordinance authorizes the following investments and portfolio composition:

Village and Investment Manager Authorized Investment- Sector Type	Minimum Rating Requirement	Maturity Limits	Maximum Allocation	Individual Issuer Limit
Cash and Cash Equivalents	N/A	NA	100%	N/A
United States Government Securities	N/A	5 Years	100%	N/A
United States Government Agencies	N/A	5 Years	50%	N/A
Federal Instrumentalities (United States Government Sponsored Enterprises "GSE")*	N/A	5 Years	75%	40%
Interest Bearing Time Deposit or Savings Accounts	N/A	1 Year	20%	10%
Repurchase Agreements**	N/A	90 Days	25%	10%
Registered Investment Companies (Money Market Mutual Funds)	AAAm (or equivalent)	N/A	20%	10%
Intergovernmental Investment Pools (Stable Net Asset Value)	AAAm (or equivalent)	N/A	80%	N/A
Intergovernmental Investment Pools (Floating Net Asset Value)	AAAf (or equivalent)	N/A	40%	N/A
Florida PRIME Fund	AAAm	NA	25%	N/A
Investment Manager Authorized Investment- Sector Type	**Minimum Rating Requirement**	**Maturity Limits**	**Maximum Allocation**	**Individual Issuer Limit**
Mortgage Backed Securities "MBS"*	AA	5 Years	20%	15%
State and/or Local Government Taxable and/or Tax-Exempt Debt	Single "A" category by two NRSROs****	5 Years	30%	5%
Commercial Paper***	A-1 by S&P and P-1 by Moody's	270 Days	20%	5%
Corporate Notes***	Single "A" category by any NRSROs****	5 Years	25%	5%
Asset-Backed Securities (ABS)***	Double "A" category by any two NRSROs****	5 Years	20%	5%

The Village's finance staff, attorney, and investment advisors have reviewed the provisions of the policy, have provided their desired revisions and comments, and are supportive of the Ordinance's adoption.

Action Requested:

Motion to Pass first reading of Ordinance No. 2024-04 and set second reading for March 20, 2024.

Process and Timeline:

If Ordinance is adopted on first reading, a public hearing date will be set for the second reading.

Financial Impact:

The Ordinance brings the Village's investment rules in line with best practices and existing statutes, and improves the ability to safeguard and a provide an appropriate rate of investment return for excess funds. Therefore, there is no fiscal impact related to the Ordinance's adoption.

Prepared by: Kevin Greenville, CPA

Attachments:

1. Ordinance No. 2024-04
2. Village of Estero Investment Policy

ORDINANCE NO. 2024 - 04

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF ESTERO, FLORIDA, CREATING DIVISION 4 (INVESTMENT POLICIES) OF ARTICLE IV (FINANCE) OF CHAPTER 2 OF THE VILLAGE OF ESTERO CODE TO CREATE DETAILED POLICIES RELATED TO INVESTMENT OF VILLAGE FUNDS; MAKING RELATED FINDINGS; AND PROVIDING FOR SEVERABILITY, CODIFICATION AND AN EFFECTIVE DATE.

WHEREAS, Article IV (Finance) of Chapter 2 (Administration) of the Village Code of the Village of Estero provides for a variety of policies related to the Village's finances and budgeting process; and

WHEREAS, the Village has been founded upon principles of sound financial management and best management practices, and while successive Village Councils have continued to ensure those principles are followed; and

WHEREAS, the Village Council nevertheless finds that adoption of codified policies related to the Village's investments is necessary to further enhance the Village's near term and future fiscal responsibility; and

WHEREAS, the Village Manager has worked with financial experts to develop a series of investment policies which incorporate a host of municipal investment best practices, and which will not only ensure the Village remains on sound financial footing, but which may also ensure the Village obtains and maintains the most advantageous financial terms when it engages in the financial markets; and

WHEREAS, as allowed by Florida Statues § 218.415(17), on October 19th 2016, the Village adopted Resolution No. 2016-32 establishing that the Village would have no written investment policy for the investment of public funds in excess of amounts needed to meet current operating expenses, apart from the baseline policy established in Florida law; and

WHEREAS, through prudent financial management, the Village has established a strong reserve of public funds in excess of amounts needed to meet current operating expenses; and

WHEREAS, having written investment policies will expand the Village's investment abilities to achieve safety of principal, adequate liquidity to meet cash needs, and reasonable yield commensurate with the preservation of principal and liquidity; and

WHEREAS, the Village Council has considered the provisions set forth in this Ordinance and finds that they are in the best interests of the Village and its taxpayers.

NOW, THEREFORE, be it ordained by the Village Council of the Village of Estero, Florida:

Section 1. Division 4 (Investment Policies) of Article IV (Finance) of Chapter 2 (Administration) of the Village Code is hereby amended as follows:

DIVISION 4. INVESTMENT POLICIES

Sec. 2-200. – Purpose.

The purpose of this policy is to set forth the investment objectives and parameters for the management of public funds of the village. These policies are designed to safeguard the village's funds, provide for the availability of operating and capital funds when needed, and promote an investment return competitive with comparable funds and financial market indices.

Sec. 2-201. – Scope.

In accordance with Florida Statutes § 218.415, this investment policy applies to all cash and investments held or controlled by the village with the exception of the village's pension funds, all its deferred compensation plans and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Additionally, any future revenues which have statutory investment requirements conflicting with this investment policy, and funds held by state agencies, are not subject to the provisions of this policy.

Sec. 2-202. – Investment objectives.

(a) *Safety of Principal*. The foremost objective of the village's investment program is to ensure the safety of principal. Investment transactions shall seek to avoid capital losses, whether they are from securities defaults (credit risk) or erosion of market value (interest rate rise). To attain this objective, investments are limited to securities that are of very high quality and considered safe and conservative with investment terms appropriate with the expected cash need. This policy specifies authorized investments and portfolio composition and establishes terms and conditions to ensure the safety of principal. Items to consider in this regard are:

(b) *Interest Rate Risk*. The village will minimize the interest rate risk, which is the risk that the value of the securities in the investment portfolio will fall due to changes in interest rates, by:

(1) Structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity.

(2) Investing short term designated operating funds in primarily short-term securities, money market mutual funds, or similar investment pools and limiting the weighted average maturity of the portfolio.

(3) Limiting the price sensitivity (duration) of the investments in the portfolio.

(c) *Credit Risk*. The village will limit credit risk, which is the risk of loss due to default by the issuer, by:

(1) Limiting investments to investment-grade securities as rated by Moody's, Standard & Poor's, Fitch or other nationally recognized statistical rating organization (NRSRO) in the United States.

(2) Diversifying the investment portfolio to reduce the impact of potential losses from any one type of security, or an individual issuer or backer.

(d) *Maintenance of Liquidity*. The village's investment portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodic cash flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity. By maintaining liquidity, the portfolio will inherently reinforce the safety of principal requirement. This is accomplished by structuring the investment program so that adequate liquidity in cash and cash equivalent investments is available to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the investment program should consist of liquidity investment strategies for short term and daily liquidity needs, and investment portfolios structured with securities with an active secondary or resale market. To facilitate this, the investment program may be partitioned into a short-term strategy focusing on cash equivalent or other investments with maturities of less than one year, and a Long-term strategy focusing on higher yielding investment opportunities having maturities of greater than one year. This policy establishes specific maturity and liquidity requirements to meet this objective.

(e) *Return on Investment*. The village's investment portfolio shall be designed with the objective of maximizing a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The village shall maintain the level of investment of all idle bank balances as close to 100% as possible and shall actively manage its investment portfolio to the greatest extent possible within the constraints of safety and liquidity to take advantage of prevailing or anticipated market conditions. Return on investment is of tertiary importance compared to the safety and liquidity objectives described above. The core of investments shall be limited to relatively low risk securities as defined within this investment policy statement in anticipation of earning a fair return relative to the risk being assumed. The village may utilize an active or passive investment strategy within the overall investment program. Securities within a passively managed investment portfolio will generally be held until maturity and securities in actively managed portfolios may be sold prior to maturity. Securities within the investment program may be sold in accordance the investment program which include the following scenarios:

(1) A security with declining credit or a downgrade below the rating requirements stated later in this Policy may be sold early to minimize loss of principal.

(2) A security swap would improve the quality, yield or target duration in the portfolio.

(3) Liquidity needs of the portfolio require that a security be sold.

(f) *Investment decisions*. The investment decisions for the City's investment program must be based solely on pecuniary factors and may not subordinate the interests of the beneficiaries of the investments to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. As used in this policy, "pecuniary factor" has the same meaning as defined in Florida Statutes § 218.415(24)(a).

Sec. 2-203. – Delegation of authority.

(a) No person may engage in an investment transaction except as authorized under the terms of this investment policy. The responsibility for providing oversight and direction in regard to the management of the investment program resides with the village's finance director. The finance director is also designated as the investment officer of the village and is responsible for investment decisions and activities, under the direction of the village manager. The day-to-day administration of the cash management program is handled by the finance department staff.

(b) The director shall hold primary responsibility for assuring compliance with the village's investment policy. The director and village manager at any time may reassign the designation of investment officer to another competent employee upon written notification. The director and is authorized to make investments under this policy as required or appropriate. The village may employ an investment manager by written contract to assist in managing village funds. Such investment manager must be registered under the Investment Advisors Act of 1940. The director will maintain written procedures consisting of a system of internal accounting and administrative controls to regulate the village's investment activities.

Sec. 2-204. – Standards of prudence.

(a) The prudent person standard stands for the proposition that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

(b) The prudent person standard shall be applied in the context of managing the overall investment program. The director acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported to the village manager in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Sec. 2-205. – Ethics and conflicts of interest.

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to the village manager any material financial interests in financial institutions that conduct business with the village, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the village's investment program. Employees shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the village.

Sec. 2-206. Internal controls and investment procedures.

(a) The director shall maintain a system of internal controls and operational procedures with regard to the village's investment program and be made a part of the village's public funds management program. The internal controls should be designed to protect the village's assets and prevent the loss of funds which might arise from fraud, embezzlement, error, mismanagement, or misrepresentation by village employees or by third parties. The procedures should include at a minimum, reference to safekeeping, repurchase agreements, separation of transaction authority from accounting and recordkeeping, wire transfer agreements, banking service contracts, collateral/depository agreements, and "delivery-vs-payment" procedures.

(b) The director shall assign competent staff, to maintain separation of duties within the financial management department, to reconcile the village's general depositor account on a monthly basis by comparing the village's general ledger with the applicable bank statements. The reconciliation would reveal any difference in investment transaction recording and the actual movement of funds.

(c) The director shall assign competent accounting staff, to reconcile investments reflected in the custodial statements with the village's records. The reconciliation will be reviewed each month by the director or designee. When applicable, the village's investment manager shall also reconcile the custody statement with the statements for all assets under management by the investment manager.

(d) Independent auditors as a normal part of the annual financial audit or any other audit initiated by the village shall conduct a review of the system of internal controls to ensure compliance with policies and procedures.

Sec. 2-207. – Continuing education.

In accordance with Florida Statutes § 218.415(14), the director and appropriate staff shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

Sec. 2-208. – Authorized investment institutions and dealers.

(a) The director shall establish and maintain a list of approved broker/dealers and financial institutions and provide them with a copy of this investment policy. The village or its investment manager, if any, will only buy and sell securities using broker/dealers registered with the Federal Reserve Bank of New York's list of "Primary Government Securities Dealers", approved non-primary securities dealers, or from banks and savings and loan associations (including their wholly owned subsidiaries or their parent companies' wholly owned subsidiaries established to provide institutional brokerage services) that are included on the list of "qualified public depositories" issued by the State of Florida. These entities must qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). No depository will operate without at least $100 million in collateral or insurance coverage on the village's accounts. The director or the investment manager, if any, will be responsible for operating within the guidelines of this policy and will be responsible for the selection of "Primary Government Securities Dealers".

(b) All approved non-primary securities dealers must qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). The village's investment manager will provide the director a list of approved brokers annually or as requested. The selection of broker/dealers used by an external investment adviser retained by the village will be at the sole discretion of the investment adviser. For all transactions executed by the director, the approved broker must provide the following information prior to executing investment trades with the village:

(1) Annual financial statement, as well as most recent quarterly statement.

(2) Regulatory history, through either the Office of the Comptroller of the Currency for dealer banks, or the NASD for securities firms.

(3) Statement of any pending lawsuits materially affecting the firm's business.

Sec. 2-209. – Maturity and liquidity requirements.

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

(1) *Maturity Guidelines*. Securities purchased by or on behalf of the village shall have a final maturity of five (5) years or less from the date of trade settlement. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the master repurchase agreement.

(2) *Liquidity Requirements*. In order to have an available source of funds to meet unexpected cash requirements, a minimum of the equivalent of two months of projected payroll and operating expenditures will be invested with cash or cash equivalents, or vehicles that provide daily liquidity. The village shall purchase only investments with an active secondary market, with the exception of non-negotiable certificates of deposit and other

time and savings deposits. The monitoring and maintenance of required liquidity shall be the sole responsibility of the village and the investment manager is herein authorized to rely upon assurances from the village that sufficient liquid funds are maintained outside of the managed portfolio.

Sec. 2-210. – Competitive selection of investment instruments.

(a) After the director or the investment manager has determined the approximate maturity date, issuer, type, and any other security characteristics based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) qualified banks and/or approved broker/dealers must be contacted and asked to provide bids/offers in writing on securities in question. Bids/offers will be held in confidence until the bid/offer deemed to best meet the investment objectives is determined and selected.

(b) From time to time, various government agencies, municipalities and corporations announce the issue of new securities to the financial markets. Since all new issues bought in the primary market are sold at the same offering price by all members of the selling syndicate, the competitive bidding process offers no benefit. If the new, "To Be Announced" security meets the portfolio diversification and maturity requirements set forth in the Investment Policy, the village may, at the discretion of the director, place the investment with the broker/dealer or financial institution that initiated the investment opportunity, provided that the broker/dealer or financial institution is on the approved list.

(c) The broker/dealer or financial institution offering the most favorable yield for the specific security type with the desired maturity date will be selected. For all trades executed by the village, the broker/dealers and financial institutions to be solicited will be rotated from the approved list, although if one or more specific dealers or institutions have proven to be particularly competitive, they may be contacted for bids/offers on a more frequent basis. All bids/offers for a particular purchase or sale shall be documented and the winning bid clearly identified for auditing purposes.

(d) If obtaining a bid/offer is not feasible and appropriate, securities may be purchased utilizing the comparison to current market price method on an exception basis. Acceptable current market price providers include, but are not limited to:

(1) Bloomberg Information Systems,

(2) Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing,

(3) Daily market pricing provided by the Village's custodian or their correspondent institutions.

(e) The Director or the Investment Manager shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price,

as indicated above, shall only be utilized when, in judgment of the director or the investment manager, competitive bidding would inhibit the selection process.

Sec. 2.211. – Authorized investments and portfolio composition.

(a) Investments should be made subject to the village's cash flow needs and such cash flows are subject to revisions as market conditions and the village's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the director may sell the investment at the then-prevailing market price.

(b) The village shall actively manage its investment portfolio to the greatest extent possible within the constraints of safety and liquidity to take advantage of prevailing or anticipated market conditions. The following are the investment requirements and allocation limits on security types, issuers, and maturities as established by the village. Diversification strategies within the established guidelines shall be reviewed and revised periodically as necessary by the director. The percentage allocation requirements for investment types and issuers are calculated based on the market value of each investment. Due to fluctuations in the aggregate invested balance, these maximum percentages may be exceeded from time to time and shall not require liquidation to realign the portfolio. However, consideration should be given to this matter when future purchases are made.

(c) The maximum percentage allocation requirements and any minimum credit ratings requirements shall apply at the time the investment is made. Should the credit rating of a security owned by the village be downgraded to a level below that required by this Investment Policy, the village will review the credit situation and determine if such securities should be sold or retained in the portfolio based upon its remaining term to maturity, the credit outlook for the issuer, and other relevant facts and circumstances. If the decision is made to retain a downgraded security, it will be closely monitored by the village and reported on a quarterly basis to the director. Investments not listed in this policy are prohibited.

Village and Investment Manager Authorized Investment- Sector Type	Minimum Rating Requirement	Maturity Limits	Maximum Allocation	Individual Issuer Limit
Cash and Cash Equivalents	N/A	NA	100%	N/A
United States Government Securities	N/A	5 Years	100%	N/A
United States Government Agencies	N/A	5 Years	50%	N/A
Federal Instrumentalities (United States Government Sponsored Enterprises "GSE")*	N/A	5 Years	75%	40%
Interest Bearing Time Deposit or Savings Accounts	N/A	1 Year	20%	10%
Repurchase Agreements**	N/A	90 Days	25%	10%
Registered Investment Companies (Money Market Mutual Funds)	AAAm (or equivalent)	N/A	20%	10%
Intergovernmental Investment Pools (Stable Net Asset Value)	AAAm (or equivalent)	N/A	80%	N/A
Intergovernmental Investment Pools (Floating Net Asset Value)	AAAf (or equivalent)	N/A	40%	N/A
Florida PRIME Fund	AAAm	NA	25%	N/A
Investment Manager Authorized Investment- Sector Type	**Minimum Rating Requirement**	**Maturity Limits**	**Maximum Allocation**	**Individual Issuer Limit**
Mortgage Backed Securities "MBS"*	AA	5 Years	20%	15%
State and/or Local Government Taxable and/or Tax-Exempt Debt	Single "A" category by two NRSROs****	5 Years	30%	5%
Commercial Paper***	A-1 by S&P and P-1 by Moody's	270 Days	20%	5%
Corporate Notes***	Single "A" category by any NRSROs****	5 Years	25%	5%
Asset-Backed Securities (ABS)***	Double "A" category by any two NRSROs****	5 Years	20%	5%

*The combined maximum amount of available funds invested in Federal Instrumentalities and mortgage-backed securities will not exceed seventy five percent (75%).

**Securities authorized for collateral are negotiable direct obligations of the United States Government, Government Agencies, and Federal Instrumentalities with maturities under five (5) years and must have a

market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement.

***The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the total allocation to Commercial Paper, Corporate Notes, and Asset Backed Securities shall not exceed forty percent (40%).

****National Recognized Statistical Rating Organization (NRSRO).

(d) The following sectors (1-10) may be purchased by the village or its investment manager:

(1) Cash and Cash Equivalents

(A) *Purchase Authorization*. The director and investment manager may invest in cash and cash equivalent investments that provide daily and short-term liquidity.

(B) *Portfolio Composition*. A maximum of 100% of the portfolio market value may be invested in the cash and cash equivalent investments.

(2) United States Government Securities

(A) *Purchase Authorization*. The director and investment manager may invest in negotiable, full faith and credit, direct obligations of the United States Government. Such securities will include:

(i) Cash Management Bills
(ii) Treasury Securities – State and Local Government Series ("SLGS")
(iii) Treasury Bills
(iv) Treasury Bonds
(v) Treasury Notes
(vi) Treasury Strips
(vii) Treasury TIPS

(B) *Portfolio Composition*. A maximum of 100% of the portfolio market value may be invested in the United States Government Securities.

(C) *Maturity Limitations*. The maximum length to maturity of any direct investment in the United States Government Securities is five (5) years from the date of trade settlement.

(3) United States Government Agencies

(A) *Purchase Authorization*. The director and investment manager may invest in bonds, debentures, or notes issued or guaranteed by United States Government agencies, provided such obligations are backed by the full faith and credit of the United States Government and have an active secondary market. Such securities will include:

(i) United States Export – Import Bank – Direct obligations or fully guaranteed certificates of beneficial ownership

(ii) Federal Housing Administration

(iii) Government National Mortgage Association (GNMA)

(iv) Small Business Administration

(v) United States Department of Housing and Urban Development

(B) *Portfolio Composition*. A maximum of 50% of the portfolio market value may be invested in United States Government agencies.

(C) *Maturity Limitations*. The maximum length to maturity for an investment in any United States Government agency security is five (5) years from the date of purchase.

(4) Federal Instrumentalities (United States Government Sponsored Enterprises)

(A) *Purchase Authorization*. The director and investment manager may invest in bonds, debentures, or notes issued or guaranteed by United States Government sponsored agencies (Federal Instrumentalities) which do not carry the full faith and credit of the U.S. Government limited to the following:

(i) Federal Farm Credit Bank (FFCB)

(ii) Federal Home Loan Bank or its Village banks (FHLB)

(iii) Federal National Mortgage Association (FNMA)

(iv) Federal Home Loan Mortgage Corporation (Freddie-Macs)

(B) *Portfolio Composition*. A maximum of 75% of the portfolio market value may be invested in Federal Instrumentalities.

(C) *Limits on Individual Issuers*. A maximum of 40% of the portfolio market value may be invested in any one issuer.

(D) *Maturity Limitations*. The maximum length to maturity for an investment in any Federal Instrumentality security is five (5) years from the date of trade settlement.

(5) Interest Bearing Certificates of Deposit, Demand Deposit Accounts, Saving Accounts, NOW Checking Accounts or Money Market Accounts

(A) *Purchase Authorization*. The director and investment manager may deposit public funds in non-negotiable interest bearing certificates of deposit, (including through the Certificate of Deposit Account Registry Service, or CDARS), demand deposit accounts, savings accounts, NOW checking accounts and money market accounts in banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in the State of Florida, provided that such banks are Qualified Public Depositories (QPDs) and any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes. QPDs are confirmed by the Florida Finance Director and the Florida Department of Financial Services and the list of current QPDs can be obtained at:

https://www.myfloridacfo.com/division/treasury/collateral-management.

(B) *Portfolio Composition*. A maximum of 20% of the portfolio market value may be invested in non-negotiable interest-bearing deposits secured by the Florida Security for Public Deposits Act, Florida Statutes Chapter 280, as described herein.

(C) *Limits on Individual Issuers*. A maximum of 10% of the portfolio market value may be deposited with any one financial institution, except for deposits with the village's primary treasury depository institution or deposits in the CDARS program.

(D) The maximum maturity on any deposit shall be no greater than one (1) year from the date of trade settlement.

(6) Repurchase Agreements

(A) *Purchase Authorization*

(i) The director and investment manager may enter into repurchase agreements composed of only those investments authorized in Section XII. B, C, and D. All financial institutions are required to sign the village's master repurchase agreement prior to the execution of a repurchase agreement transaction. The agreement must specify that it is governed by the laws of Florida, and it must be approved as to form and legal sufficiency by the village attorney.

(ii) A third-party custodian with whom the village has a current custodial agreement shall hold the collateral for all repurchase agreements with a term longer than one (1) business day. Overnight repurchase agreement collateral for the village's sweep accounts, if any, shall be held at the village's custodial or safekeeping institution. A clearly marked receipt that shows evidence of ownership must be supplied to the director and retained for all repurchase agreements that are not overnight sweep accounts.

(iii) Securities authorized for collateral must have maturities under ten (10) years and have market value for the principal and accrued interest equal to at least 102 percent of the value and for the term of the repurchase agreement.

Immaterial short-term deviations from 102 percent requirement are permissible only upon the approval of the Director.

(B) *Portfolio Composition*. A maximum of 25% of the portfolio market value may be invested in repurchase agreements.

(C) *Limits on Individual Issuers*. A maximum of 10% of the portfolio market value may be included in a repurchase agreement with any one institution.

(D) *Limits on Maturities*. The maximum length to maturity of any repurchase agreement is 90 days from the date of purchase.

(7) Registered Investment Companies (Money Market Mutual Funds)

(A) *Investment Authorization*. The director and investment manager may invest in shares in open-end and no-load money market mutual funds provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7, which stipulates that money market funds must have an average weighted maturity of 90 days or less. Must be rated in the highest tier by a nationally recognized rating agency, and whose portfolios consist of only dollar denominated securities.

(B) *Portfolio Composition*. A maximum of 20% of the portfolio market value may be invested in money market funds.

(C) *Limits of Individual Issuers*. A maximum of 10% of the portfolio market value may be invested with any one money market fund.

(8) Intergovernmental Investment Pool (Stable Net Asset Value)

(A) *Investment Authorization*. The director and investment manager may invest in intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Florida Statutes § 163.01, and provided that said funds contain no derivatives and share value can never be less than $1. The stable net asset value intergovernmental investment pool must have a rating of AAAm or equivalent.

(B) *Portfolio Composition*. A maximum of 40% of available funds may be invested in intergovernmental investment pools with a stable net asset value.

(C) *Due Diligence Requirements*. A thorough review of any investment pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the director that will contain a list of questions that covers the major aspects of any investment pool/fund.

(9) Intergovernmental Investment Pool (Floating Net Asset Value)

(A) *Investment Authorization*. The director and investment manager may invest in intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01, Florida Statutes. The floating net asset value intergovernmental investment pool must have a rating of AAAf or equivalent.

(B) *Portfolio Composition*. A maximum of 40% of available funds may be invested in intergovernmental investment pools with a floating net asset value.

(C) *Due Diligence Requirements*. A thorough review of any investment pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the director that will contain a list of questions that covers the major aspects of any investment pool/fund.

(10) The Florida Local Government Surplus Funds Trust Fund (Florida Prime/SBA)

(A) *Investment Authorization*. The director may invest in the Florida Prime.

(B) *Portfolio Composition*. A maximum of 25% of available funds may be invested in the Florida Prime.

(e) In addition to the permitted sectors defined in subsection (d) 1-10 above, the village or village's investment manager may also purchase the fixed income sectors set forth in subsections 1-5 below (which securities generally require additional resources offered by an investment manager):

(1) Agency Mortgage-Backed Securities (MBS)

(A) *Purchase Authorization*. The investment manager may invest in mortgage-backed securities (MBS) which are based on mortgages that are guaranteed by a government agency or GSE for payment of principal and a guarantee of timely payment.

(B) *Portfolio Composition*. A maximum of 20% of available funds may be invested in MBS.

(C) *Limits on Individual Issuers*. A maximum of 15% of available funds may be invested with any one MBS issuer.

(D) *Maturity Limitations*. A maximum length to maturity for an investment in any MBS is five (5) years based on the weighted average life of the security. The maturity of mortgage-backed securities shall be considered the date corresponding to its average life. This date reflects the point at which an investor will have received back half of the original principal (face) amount. The average life may be different from the stated legal maturity included in a security's description.

(2) Municipal Bonds

(A) *Investment Authorization*. The investment manager may invest in state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds. Must be rated in the single A category by at least two NRSRO's.

(B) *Portfolio Composition*. A maximum of 30% of the portfolio market value may be invested in obligations of state and local governments.

(C) *Limits on Individual Issuers*. A maximum of 5% of the portfolio market value may be invested in any one issuer.

(D) The maximum maturity on any obligation shall be no greater than five (5) years from the date of trade settlement.

(3) Commercial Paper

(A) *Purchase Authorization*. The investment manager may invest in commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and minimum "A-1" by Standard & Poor's (highest tier commercial paper).

(B) *Portfolio Composition*. A maximum of 20% of the portfolio market value may be directly invested in prime commercial paper. The maximum total allocation to Commercial Paper, Corporate Notes, and Asset Backed Securities shall not exceed 40%.

(C) *Limits on Individual Issuers*. A maximum of 5% of the portfolio market value may be invested with any one issuer.

(D) *Maturity Limitations*. The maximum length to maturity for prime commercial paper shall be 270 days from the date of purchase.

(4) Corporate Notes

(A) Investment Authorization. The investment manager may invest in corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States rated in the "A" category by Standard & Poor's, or the equivalent by another rating agency at the time of purchase.

(B) *Portfolio Composition*. A maximum of 25% of the portfolio market value may be invested in obligations of corporate notes. The maximum total allocation to

Commercial Paper, Corporate Notes, and Asset Backed Securities shall not exceed 40%.

(C) *Limits on Individual Issuers*. A maximum of 5% of the portfolio market value may be invested in any one issuer.

(D) The maximum maturity on any obligation shall be no greater than five (5) years from the date of trade settlement.

(5) Asset-Backed Securities (ABS)

(A) *Investment Authorization*. The investment manager may invest in asset-backed securities (ABS) rated in the "AA" category by any two NRSRO's at the time of purchase.

(B) *Portfolio Composition*. A maximum of 20% of available funds may be invested in ABS. The maximum total allocation to Commercial Paper, Corporate Notes, and Asset Backed Securities shall not exceed 40%.

(C) *Limits on Individual Issuers*. A maximum of 5% of available funds may be invested with any one issuer.

(D) *Maturity Limitation*. A maximum length to maturity for an investment in any ABS is five (5) years from the date of trade settlement. The maturity of asset-backed securities shall be considered the date corresponding to its average life. This date reflects the point at which an investor will have received back half of the original principal (face) amount. The average life may be different from the stated legal maturity included in a security's description.

Sec. 2-212. – Unauthorized investments.

Investments in any derivative products or the use of reverse repurchase agreements are prohibited. A "derivative" is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values. All other investments not specifically stated under "Allowable Investments" are prohibited.

Sec. 2-213. – Performance measurements.

In order to assist in the evaluation of the portfolio's performance, the village will use performance benchmarks for short-term and long-term portfolios. The use of benchmarks will allow the village to measure its returns against other investors in the same markets.

(1) For the short-term investment program (strategies with less than 12 months maturity), the S&P Rated GIP Index, or similar index, will be used as a benchmark as compared to the portfolios' net book value rate of return for current operating funds.

(2) Investment performance of funds designated as core funds and other funds that have a long-term (greater than 12 months average maturity) investment horizon, and are actively managed, will be compared to an appropriate index comprised having a duration and asset mix that approximates that of the portfolios. The index will be utilized as a benchmark to be compared to the portfolio's total rate of return. Examples of an appropriate index include: the ICE BofAML Merrill Lynch 1-3 Year Government & Corporate AA Index and/or the ICE BofAML Merrill Lynch 1-5 Year Government & Corporate AA Index. The Village will determine an appropriate benchmark based upon the characteristics of the longer-term core portfolio(s).

(3) Investment advisors will report performance on both book value and total rate of return basis and compare results to the above-stated benchmarks for all actively managed portfolios. Investment advisors will report on book value for passively managed portfolios.

Sec. 2-214. – Accounting and reporting.

(a) Investments will be carried at book value and marked to market value. Gains or losses from investments will be credited or charged to investment income at the time of sale. Premiums or discounts on securities may be amortized over the life of the securities. The village shall comply with Generally Accepted Accounting Principles ("GAAP") and Government Accounting Standard Board ("GASB") standards.

(b) The director shall prepare a quarterly investment report which shall be presented to the village manager and the village council. The quarterly investment report is available to the public upon request. Schedules in the quarterly report will include the following:

(1) Listing of investments by type, book value, and market value as of the report date as well as portfolio activity during the period.

(2) Weight, by percentage, of each security type within the portfolio.

(3) Investment balance at end of quarter.

(4) Income earned for the quarter and year-to-date.

(5) Comparison of quarterly and calendar year-to-date performance to authorized performance benchmarks.

(6) Weighted average maturity of the portfolio.

(c) The director shall report any occurrences of non-compliance with this policy in writing to the village manager as soon as reasonably possible once he or she is aware of the occurrence.

Sec. 2-215. – Third-party custodial agreements.

(a) Securities, with the exception of certificates of deposits and overnight repurchase agreements (one business day), shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by, the village should be properly designated as an asset of the village. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Florida Statutes § 658.12, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

(b) The custodian shall accept transaction instructions only from those persons who have been duly authorized by the director and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, from safekeeping, shall be permitted unless by such a duly authorized person.

(c) The custodian shall provide the director with safekeeping receipts that provide detailed information on the securities held by the custodian. In addition, the custodian shall report at least quarterly, and the director shall verify the reports. Settlement transactions between a broker/dealer and the custodian on behalf of the village that involve a settlement of investments purchased or sold by the director or investment manager must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand on behalf of the village at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.

Sec. 2-216. – Municipal advisor rule.

Brokers and dealers who execute investment trades directly with the village's portfolio typically require a form to be signed stating they are not acting in a municipal advisor role. The financial management director shall be authorized to sign these forms for the village's authorized broker/dealers.

Sec. 2-217. – Risk diversification.

There are risks inherent in investing; however, every investment portfolio should include a specific diversification strategy to eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer or class of securities. The investments shall be diversified by:

(1) Limiting investments to avoid over-concentration in securities from a specific issuer or of a specific type.

(2) Staggering investment maturities to avoid undue concentration in a specific maturity sector.

(3) Limiting the duration (price sensitivity and maturity) of the investment portfolio.

(4) Investing in only high-grade securities with low credit risk.

(5) Maintaining a portion of the portfolio in readily available funds such as state investment pools, money market mutual funds, or overnight repurchase agreements.

Sec. 2-218. – Investment policy adoption and amendments; companion administrative procedures.

(a) The financial management director shall prepare any proposed amendments to these investment policies and submit them to the village manager for review and, if recommended by the manager, presentation to the council for review and approval.

(b) The village manager is authorized to administratively promulgate such additional procedures, protocols and forms to implement both the provisions, and intent of this division.

Section 2. For purposes of codification of any existing section of the Estero Village Code herein amended, words **underlined** represent additions to original text, words ~~**stricken**~~ are deletions from the original text, and words neither underlined nor stricken remain unchanged.

Section 3. If any section, subsection, sentence, clause, provision or word of this Ordinance is held unconstitutional or otherwise legally invalid, same shall be severable and the remainder of this Ordinance shall not be affected by such invalidity, such that any remainder of the Ordinance shall withstand any severed provision, as the Village Council would have adopted the Ordinance and its regulatory scheme even absent the invalid part.

Section 4. The Codifier shall codify the substantive amendments to the Estero Village Code contained in Section 1 of this Ordinance as provided for therein, and shall not codify the exordial clauses nor any other sections not designated for codification.

Section 5. Pursuant to Florida Statutes § 166.041(4)(a), prior to the date the public notice of the public hearing for this Ordinance was published, the Village prepared and posted on

its website a business impact estimate which included: a) a summary of the Ordinance, a statement of the public purpose to be served by the Ordinance, b) an estimate of the direct economic impact of the Ordinance on private, for-profit businesses in the Village, c) an estimate of direct compliance costs that businesses may reasonably incur due to the Ordinance, d) identification of any new charge or fee on businesses created by the Ordinance or for which businesses will be financially responsible, e) an estimate of the Village's regulatory costs and of revenues from any new charges or fees imposed on businesses to cover such costs, and f) a good faith estimate of the number of businesses likely to be impacted by the Ordinance.

Section 6. Pursuant to Florida Statutes § 166.041(4), this Ordinance shall take effect immediately upon adoption.

ADOPTED ON FIRST READING by the Village Council of the Village of Estero, Florida on the 6th day of March, 2024.

ADOPTED ON SECOND AND FINAL READING by the Village Council of the Village of Estero, Florida on the 20th day of March, 2024.

VILLAGE OF ESTERO, FLORIDA

Attest:

By: _____
John McLain, Mayor

By: _____
Carol Sacco, Village Clerk

Village of Estero Investment Policy

Updated February 2024

VILLAGE COUNCIL

Jon McLain, Mayor

Joanne Ribble, Vice Mayor
Larry Fiesel, Councilmember
Lori Fayhee, Councilmember
Rafael Lopez, Councilmember
Jim Ward, Councilmember
George, Zalucki, Councilmember

VILLAGE MANAGER

Steve Sarkozy

FINANCE DEPARTMENT

Kevin Greenville | Finance Director

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ATTACHMENT: Glossary of Cash and Investment Management Terms

Investment Policy
Village of Estero

I. PURPOSE

The purpose of this policy is to set forth the investment objectives and parameters for the management of public funds of the Village of Estero, Florida (hereinafter "Village"). These policies are designed to safeguard the Village's funds, provide for the availability of operating and capital funds when needed, and promote an investment return competitive with comparable funds and financial market indices.

II. SCOPE

In accordance with Section 218.415, Florida Statutes, this investment policy applies to all cash and investments held or controlled by the Village with the exception of the Village's pension funds, all its deferred compensation plans and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Additionally, any future revenues which have statutory investment requirements conflicting with this Investment Policy, and funds held by state agencies, are not subject to the provisions of this policy.

III. INVESTMENT OBJECTIVES

Safety of Principal

The foremost objective of the Village's investment program is to ensure the safety of principal. Investment transactions shall seek to avoid capital losses, whether they are from securities defaults (credit risk) or erosion of market value (interest rate rise). To attain this objective, investments are limited to securities that are of very high quality and considered safe and conservative with investment terms appropriate with the expected cash need. Section XII of this policy specifies authorized investments and portfolio composition and establishes terms and conditions to ensure the safety of principal. Items to consider in this regard are:

Interest Rate Risk
The Village will minimize the interest rate risk, which is the risk that the value of the securities in the investment portfolio will fall due to changes in interest rates, by:

- Structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity.
- Investing short term designated operating funds in primarily short-term securities, money market mutual funds, or similar investment pools and limiting the weighted average maturity of the portfolio.
- Limiting the price sensitivity (duration) of the investments in the portfolio.

Credit Risk
The Village will limit credit risk, which is the risk of loss due to default by the issuer, by:

- Limiting investments to investment-grade securities as rated by Moody's, Standard & Poor's, Fitch or other nationally recognized statistical rating organization (NRSRO) in the United States.
- Diversifying the investment portfolio to reduce the impact of potential losses from any one type of security, or an individual issuer or backer.

Maintenance of Liquidity

The Village's investment portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodic cash flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity. By maintaining liquidity, the portfolio will inherently reinforce the safety of principal requirement. This is accomplished by structuring the investment program so that adequate liquidity in cash and cash equivalent investments is available to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the investment program should consist of liquidity investment strategies for short term and daily liquidity needs, and investment portfolios structured with securities with an active secondary or resale market. To facilitate this, the investment program may be partitioned into a Short-term strategy focusing on cash equivalent or other investments with maturities of less than one year, and a Long-term strategy focusing on higher yielding investment opportunities having maturities of greater than one year. Section X of this policy establishes specific maturity and liquidity requirements to meet this objective.

Return on Investment

The Village's investment portfolio shall be designed with the objective of maximizing a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The Village shall maintain the level of investment of all idle bank balances as close to 100% as possible and shall actively manage its investment portfolio to the greatest extent possible within the constraints of safety and liquidity to take advantage of prevailing or anticipated market conditions. Return on investment is of tertiary importance compared to the safety and liquidity objectives described above. The core of investments shall be limited to relatively low risk securities as defined within this investment policy statement in anticipation of earning a fair return relative to the risk being assumed. The Village may utilize an active or passive investment strategy within the overall investment program. Securities within a passively managed investment portfolio will generally be held until maturity and securities in actively managed portfolios may be sold prior to maturity. Securities within the investment program may be sold in accordance the investment program which include the following scenarios:

- A security with declining credit or a downgrade below the rating requirements stated later in this Policy may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield or target duration in the portfolio.
- Liquidity needs of the portfolio require that a security be sold.

IV. INVESTMENT DECISIONS:

The investment decisions for the City's investment program must be based solely on pecuniary factors and may not subordinate the interests of the beneficiaries of the investments to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. As used in this policy, "pecuniary factor" has the same meaning as defined section 218.415(24)(a), Florida Statutes.

V. DELEGATION OF AUTHORITY

No person may engage in an investment transaction except as authorized under the terms of this investment policy. The responsibility for providing oversight and direction in regard to the management of the investment program resides with the Village's Finance Director (hereinafter "Director"). The Finance Director is also designated as the Investment Officer of the Village and is responsible for investment decisions and activities, under the direction of the Village Manager. The day-to-day administration of the cash management program is

handled by the Finance Department staff.

The Director shall hold primary responsibility for assuring compliance with the Village's Investment Policy. The Director and Village Manager at any time may reassign the designation of Investment Officer to another competent employee upon written notification. The Director and is authorized to make investments under this policy as required or appropriate. The Village may employ an Investment Manager by written contract to assist in managing Village funds. Such Investment Manager must be registered under the Investment Advisors Act of 1940. The Director will maintain written procedures consisting of a system of internal accounting and administrative controls to regulate the Village's investment activities.

VI. STANDARDS OF PRUDENCE

The "Prudent Person" standard shall be applied in the context of managing the overall investment program. The Director acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported to the Village Manager in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The "Prudent Person" rule states the following:

> Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

VII. ETHICS AND CONFLICTS OF INTEREST

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to the Village Manager any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the Village's investment program. Employees shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

VIII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES

The Director shall maintain a system of internal controls and operational procedures with regard to the Village's investment program and be made a part of the Village's public funds management program. The internal controls should be designed to protect the Village's assets and prevent the loss of funds which might arise from fraud, embezzlement, error, mismanagement, or misrepresentation by Village employees or by third parties. The procedures should include at a minimum, reference to safekeeping, repurchase agreements, separation of transaction authority from accounting and recordkeeping, wire transfer agreements, banking service contracts, collateral/depository agreements, and "delivery-vs-payment" procedures.

The Director shall assign competent staff, to maintain separation of duties within the Financial Services Department, to reconcile the Village's general depositor account on a monthly basis by comparing the Village's general ledger with the applicable bank statements. The reconciliation would reveal any difference in investment transaction recording and the actual movement of funds.

The Director shall assign competent accounting staff, to reconcile investments reflected in the custodial statements with the Village's records. The reconciliation will be reviewed each month by the Director or designee. When applicable, the Village's Investment Manager shall also reconcile the custody statement with the statements for all assets under management by the Investment Manager.

Independent auditors as a normal part of the annual financial audit or any other audit initiated by the Village shall conduct a review of the system of internal controls to ensure compliance with policies and procedures.

IX. CONTINUING EDUCATION

In accordance with § 218.415(14), Florida Statutes, the Director and appropriate staff shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

X. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

The Director shall establish and maintain a list of approved broker/dealers and financial institutions and provide them with a copy of this investment policy. The Village or its Investment Manager, if any, will only buy and sell securities using broker/dealers registered with the Federal Reserve Bank of New York's list of "Primary Government Securities Dealers", approved non-primary securities dealers, or from banks and savings and loan associations (including their wholly owned subsidiaries or their parent companies' wholly owned subsidiaries established to provide institutional brokerage services) that are included on the list of "qualified public depositories" issued by the State of Florida. These entities must qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). No depository will operate without at least $100 million in collateral or insurance coverage on the Village's accounts. The Director or the Investment Manager, if any, will be responsible for operating within the guidelines of this policy and will be responsible for the selection of "Primary Government Securities Dealers".

All approved non-primary securities dealers must qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). The Village's Investment Manager will provide the Director a list of approved brokers annually or as requested. The selection of broker/dealers used by an external investment adviser retained by the Village will be at the sole discretion of the investment adviser. For all transactions executed by the Director, the approved broker must provide the following information prior to executing investment trades with the City:

1. Annual financial statement, as well as most recent quarterly statement.
2. Regulatory history, through either the Office of the Comptroller of the Currency for dealer banks, or the NASD for securities firms.
3. Statement of any pending lawsuits materially affecting the firm's business.

XI. MATURITY AND LIQUIDITY REQUIREMENTS

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

A. Maturity Guidelines

Securities purchased by or on behalf of the Village shall have a final maturity of five (5) years or less from the date of trade settlement. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement.

B. Liquidity Requirements

In order to have an available source of funds to meet unexpected cash requirements, a minimum of the equivalent of two months of projected payroll and operating expenditures will be invested with cash or cash equivalents, or vehicles that provide daily liquidity. The Village shall purchase only investments with an active secondary market, with the exception of non-negotiable Certificates of Deposit and other time and savings deposits. The monitoring and maintenance of required liquidity shall be the sole responsibility of the City and the investment manager is herein authorized to rely upon assurances from the City that sufficient liquid funds are maintained outside of the managed portfolio.

XII. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

After the Director or the Investment Manager has determined the approximate maturity date, issuer, type, and any other security characteristics based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) qualified banks and/or approved broker/dealers must be contacted and asked to provide bids/offers in writing on securities in question. Bids/offers will be held in confidence until the bid/offer deemed to best meet the investment objectives is determined and selected.

From time to time, various government agencies, municipalities and corporations announce the issue of new securities to the financial markets. Since all new issues bought in the primary market are sold at the same offering price by all members of the selling syndicate, the competitive bidding process offers no benefit. If the new, "To Be Announced" security meets the portfolio diversification and maturity requirements set forth in the Investment Policy, the Village may, at the discretion of the Director, place the investment with the broker/dealer or financial institution that initiated the investment opportunity, provided that the broker/dealer or financial institution is on the approved list.

The broker/dealer or financial institution offering the most favorable yield for the specific security type with the desired maturity date will be selected. For all trades executed by the City, the broker/dealers and financial institutions to be solicited will be rotated from the approved list, although if one or more specific dealers or institutions have proven to be particularly competitive, they may be contacted for bids/offers on a more frequent basis. All bids/offers for a particular purchase or sale shall be documented and the winning bid clearly identified for auditing purposes.

If obtaining a bid/offer is not feasible and appropriate, securities may be purchased utilizing the comparison to current market price method on an exception basis. Acceptable current market price providers include, but are not limited to:

- Bloomberg Information Systems,
- Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing,
- Daily market pricing provided by the Village's custodian or their correspondent institutions.

The Director or the Investment Manager shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall only be utilized when, in judgment of the Director or the Investment Manager, competitive bidding would inhibit the selection process.

This method may only be used:

- When time constraints due to unusual circumstances preclude the use of the competitive bidding process

- When no active market exists for the issue being traded due to the age or depth of the issue
- When a security is unique to a single dealer, for example, a private placement

A competitive offer or bid request wherein only one offer or bid is received shall satisfy the requirements of competitive bidding of this policy and such transactions may be awarded in accordance with comparison to current market price method described above.

Overnight sweep repurchase agreements will not be bid but may be placed with the Village's depository bank relating to the demand account for which the repurchase agreement was purchased.

For all transactions executed by the City, the Director is authorized to seek commission recapture services and to select the institution proposing the most responsive proposal resulting from contacting a minimum of three (3) qualified institutions. Transactions subject to commission recapture will be subject to normal purchasing procedures as stated in this section and with particular emphasis on following best execution practices.

XIII. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments should be made subject to the Village's cash flow needs and such cash flows are subject to revisions as market conditions and the Village's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Director may sell the investment at the then-prevailing market price.

The Village shall actively manage its investment portfolio to the greatest extent possible within the constraints of safety and liquidity to take advantage of prevailing or anticipated market conditions. The following are the investment requirements and allocation limits on security types, issuers, and maturities as established by the City. Diversification strategies within the established guidelines shall be reviewed and revised periodically as necessary by the Director. The percentage allocation requirements for investment types and issuers are calculated based on the market value of each investment. Due to fluctuations in the aggregate invested balance, these maximum percentages may be exceeded from time to time and shall not require liquidation to realign the portfolio. However, consideration should be given to this matter when future purchases are made.

The maximum percentage allocation requirements and any minimum credit ratings requirements shall apply at the time the investment is made. Should the credit rating of a security owned by the Village be downgraded to a level below that required by this Investment Policy, the Village will review the credit situation and determine if such securities should be sold or retained in the portfolio based upon its remaining term to maturity, the credit outlook for the issuer, and other relevant facts and circumstances. If the decision is made to retain a downgraded security, it will be closely monitored by the Village and reported on a quarterly basis to the Director. Investments not listed in this policy are prohibited.

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Village and Investment Manager Authorized Investment- Sector Type	Minimum Rating Requirement	Maturity Limits	Maximum Allocation	Individual Issuer Limit
Cash and Cash Equivalents	N/A	NA	100%	N/A
United States Government Securities	N/A	5 Years	100%	N/A
United States Government Agencies	N/A	5 Years	50%	N/A
Federal Instrumentalities (United States Government Sponsored Enterprises "GSE")*	N/A	5 Years	75%	40%
Interest Bearing Time Deposit or Savings Accounts	N/A	1 Year	20%	10%
Repurchase Agreements**	N/A	90 Days	25%	10%
Registered Investment Companies (Money Market Mutual Funds)	AAAm (or equivalent)	N/A	20%	10%
Intergovernmental Investment Pools (Stable Net Asset Value)	AAAm (or equivalent)	N/A	80%	N/A
Intergovernmental Investment Pools (Floating Net Asset Value)	AAAf (or equivalent)	N/A	40%	N/A
Florida PRIME Fund	AAAm	NA	25%	N/A
Investment Manager Authorized Investment- Sector Type	**Minimum Rating Requirement**	**Maturity Limits**	**Maximum Allocation**	**Individual Issuer Limit**
Mortgage Backed Securities "MBS"*	AA	5 Years	20%	15%
State and/or Local Government Taxable and/or Tax-Exempt Debt	Single "A" category by two NRSROs****	5 Years	30%	5%
Commercial Paper***	A-1 by S&P and P-1 by Moody's	270 Days	20%	5%
Corporate Notes***	Single "A" category by any NRSROs****	5 Years	25%	5%
Asset-Backed Securities (ABS)***	Double "A" category by any two NRSROs****	5 Years	20%	5%

*The combined maximum amount of available funds invested in Federal Instrumentalities and mortgage-backed securities will not exceed seventy five percent (75%).
**Securities authorized for collateral are negotiable direct obligations of the United States Government, Government Agencies, and Federal Instrumentalities with maturities under five (5) years and must have a market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement.
***The maximum amount of corporate investments will not exceed forty percent (40%). Therefore, the total allocation to Commercial Paper, Corporate Notes, and Asset Backed Securities shall not exceed forty percent (40%).
****National Recognized Statistical Rating Organization (NRSRO).

The following sectors (A-J) may be purchased by the Village's Director or by the Village's Investment Manager.

A. Cash and Cash Equivalents

1. Purchase Authorization

The Director and Investment Manager may invest in cash and cash equivalent investments that provide daily and short term liquidity:

2. Portfolio Composition

A maximum of 100% of the portfolio market value may be invested in the cash and cash equivalent investments.

B. United States Government Securities

1. Purchase Authorization

The Director and Investment Manager may invest in negotiable, full faith and credit, direct obligations of the United States Government. Such securities will include:

Cash Management Bills
Treasury Securities – State and Local Government Series ("SLGS")
Treasury Bills
Treasury Bonds
Treasury Notes
Treasury Strips
Treasury TIPS

2. Portfolio Composition

A maximum of 100% of the portfolio market value may be invested in the United States Government Securities.

3. Maturity Limitations

The maximum length to maturity of any direct investment in the United States Government Securities is five (5) years from the date of trade settlement

C. United States Government Agencies

1. Purchase Authorization

The Director and Investment Manager may invest in bonds, debentures, or notes issued or guaranteed by United States Government agencies, provided such obligations are backed by the full faith and credit of the United States Government and have an active secondary market. Such securities will include:

United States Export – Import Bank

-Direct obligations or fully guaranteed certificates of beneficial ownership
Federal Housing Administration
Government National Mortgage Association (GNMA)
Small Business Administration
United States Department of Housing and Urban Development

2. Portfolio Composition

A maximum of 50% of the portfolio market value may be invested in United States Government agencies.

3. Maturity Limitations

The maximum length to maturity for an investment in any United States Government agency security is five (5) years from the date of purchase.

D. Federal Instrumentalities (United States Government Sponsored Enterprises)

1. Purchase Authorization

The Director and Investment Manager may invest in bonds, debentures, or notes issued or guaranteed by United States Government sponsored agencies (Federal Instrumentalities) which do not carry the full faith and credit of the U.S. Government limited to the following:

Federal Farm Credit Bank (FFCB)
Federal Home Loan Bank or its Village banks (FHLB)
Federal National Mortgage Association (FNMA)
Federal Home Loan Mortgage Corporation (Freddie-Macs)

2. Portfolio Composition

A maximum of 75% of the portfolio market value may be invested in Federal Instrumentalities.

3. Limits on Individual Issuers

A maximum of 40% of the portfolio market value may be invested in any one issuer.

4. Maturity Limitations

The maximum length to maturity for an investment in any Federal Instrumentality security is five (5) years from the date of trade settlement

E. Interest Bearing Certificates of Deposit, Demand Deposit Accounts, Saving Accounts, NOW Checking Accounts or Money Market Accounts

1. Purchase Authorization

The Director and Investment Manager may deposit public funds in non-negotiable interest bearing certificates of deposit, (including through the Certificate of Deposit Account Registry Service, or CDARS), demand deposit accounts, savings accounts, NOW checking accounts and money market accounts in banks organized under the laws of this state and/or in national banks

organized under the laws of the United States and doing business and situated in the State of Florida, provided that such banks are Qualified Public Depositories (QPDs) and any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes. QPDs are confirmed by the Florida Finance Director and the Florida Department of Financial Services and the list of current QPDs can be obtained at https://www.myfloridacfo.com/division/treasury/collateral-management

2. Portfolio Composition

A maximum of 20% of the portfolio market value may be invested in non-negotiable interest bearing deposits secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, as described herein.

3. Limits on Individual Issuers

A maximum of 10% of the portfolio market value may be deposited with any one financial institution, except for deposits with the Village's primary treasury depository institution or deposits in the CDARS program.

4. The maximum maturity on any deposit shall be no greater than one (1) year from the date of trade settlement.

F. Repurchase Agreements

1. Purchase Authorization

a. The Director and Investment Manager may enter into repurchase agreements composed of only those investments authorized in Section XII. B, C, and D. All financial institutions are required to sign the Village's Master Repurchase Agreement prior to the execution of a repurchase agreement transaction. The agreement must specify that it is governed by the laws of the State of Florida, and it must be approved as to form and legal sufficiency by the Village Attorney.

b. A third party custodian with whom the Village has a current custodial agreement shall hold the collateral for all repurchase agreements with a term longer than one (1) business day. Overnight repurchase agreement collateral for the Village's "Sweep Accounts", if any, shall be held at the Village's custodial or safekeeping institution. A clearly marked receipt that shows evidence of ownership must be supplied to the Director and retained for all repurchase agreements that are not overnight sweep accounts.

c. Securities authorized for collateral must have maturities under ten (10) years and have market value for the principal and accrued interest equal to at least 102 percent of the value and for the term of the repurchase agreement. Immaterial short-term deviations from 102 percent requirement are permissible only upon the approval of the Director.

2. Portfolio Composition

A maximum of 25% of the portfolio market value may be invested in repurchase agreements.

3. Limits on Individual Issuers

A maximum of 10% of the portfolio market value may be included in a repurchase agreement with any one institution.

4. Limits on Maturities

The maximum length to maturity of any repurchase agreement is 90 days from the date of purchase.

G. Registered Investment Companies (Money Market Mutual Funds)

1. Investment Authorization

The Director and Investment Manager may invest in shares in open-end and no-load money market mutual funds provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7, which stipulates that money market funds must have an average weighted maturity of 90 days or less. Must be rated in the highest tier by a nationally recognized rating agency and whose portfolios consist of only dollar denominated securities.

2. Portfolio Composition

A maximum of 20% of the portfolio market value may be invested in money market funds.

3. Limits of Individual Issuers

A maximum of 10% of the portfolio market value may be invested with any one money market fund.

H. Intergovernmental Investment Pool (Stable Net Asset Value)

1. Investment Authorization

The Director and Investment Manager may invest in intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives and share value can never be less than $1. The stable net asset value intergovernmental investment pool must have a rating of AAAm or equivalent.

2. Portfolio Composition

A maximum of 40% of available funds may be invested in intergovernmental investment pools with a stable net asset value.

3. Due Diligence Requirements

A thorough review of any investment pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Director that will contain a list of questions that covers the major aspects of any investment pool/fund.

I. Intergovernmental Investment Pool (Floating Net Asset Value)

1. Investment Authorization

   The Director and Investment Manager may invest in intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01, Florida Statutes. The floating net asset value intergovernmental investment pool must have a rating of AAAf or equivalent.

2. Portfolio Composition

   A maximum of 40% of available funds may be invested in intergovernmental investment pools with a floating net asset value.

3. Due Diligence Requirements

   A thorough review of any investment pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Director that will contain a list of questions that covers the major aspects of any investment pool/fund.

J. The Florida Local Government Surplus Funds Trust Fund (Florida Prime/SBA)

1. Investment Authorization

   The Director may invest in the Florida Prime.

2. Portfolio Composition

   A maximum of 25% of available funds may be invested in the Florida Prime.

In addition to the permitted sectors defined in A-J, the Village's Investment Manager may also purchase fixed income sectors K-O. The securities defined in K-O generally require additional resources offered by an Investment Manager.

K. Agency Mortgage-Backed Securities (MBS)

1. Purchase Authorization

   The Investment Manager may invest in mortgage-backed securities (MBS) which are based on mortgages that are guaranteed by a government agency or GSE for payment of principal and a guarantee of timely payment.

2. Portfolio Composition

   A maximum of 20% of available funds may be invested in MBS.

3. Limits on Individual Issuers

   A maximum of 15% of available funds may be invested with any one MBS issuer.

4. Maturity Limitations

A maximum length to maturity for an investment in any MBS is five (5) years based on the weighted average life of the security.

The maturity of mortgage-backed securities shall be considered the date corresponding to its average life. This date reflects the point at which an investor will have received back half of the original principal (face) amount. The average life may be different from the stated legal maturity included in a security's description.

L. Municipal Bonds

1. Investment Authorization

The Investment Manager may invest in state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds. Must be rated in the single A category by at least two NRSRO's.

2. Portfolio Composition

A maximum of 30% of the portfolio market value may be invested in obligations of state and local governments.

3. Limits on Individual Issuers

A maximum of 5% of the portfolio market value may be invested in any one issuer.

4. The maximum maturity on any obligation shall be no greater than five (5) years from the date of trade settlement.

M. Commercial Paper

1. Purchase Authorization

The Investment Manager may invest in commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and minimum "A-1" by Standard & Poor's (highest tier commercial paper),

2. Portfolio Composition

A maximum of 20% of the portfolio market value may be directly invested in prime commercial paper. The maximum total allocation to Commercial Paper, Corporate Notes, and Asset Backed Securities shall not exceed 40%.

3. Limits on Individual Issuers

A maximum of 5% of the portfolio market value may be invested with any one issuer.

4. Maturity Limitations

The maximum length to maturity for prime commercial paper shall be 270 days from the date of purchase.

N. Corporate Notes

1. Investment Authorization

The Investment Manager may invest in corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States rated in the "A" category by Standard & Poor's, or the equivalent by another rating agency at the time of purchase.

2. Portfolio Composition

A maximum of 25% of the portfolio market value may be invested in obligations of corporate notes. The maximum total allocation to Commercial Paper, Corporate Notes, and Asset Backed Securities shall not exceed 40%.

3. Limits on Individual Issuers

A maximum of 5% of the portfolio market value may be invested in any one issuer.

4. The maximum maturity on any obligation shall be no greater than five (5) years from the date of trade settlement.

O. Asset-Backed Securities (ABS)

1. Investment Authorization

The Investment Manager may invest in asset-backed securities (ABS) rated in the "AA" category by any two NRSRO's at the time of purchase.

2. Portfolio Composition

A maximum of 20% of available funds may be invested in ABS. The maximum total allocation to Commercial Paper, Corporate Notes, and Asset Backed Securities shall not exceed 40%.

3. Limits on Individual Issuers

A maximum of 5% of available funds may be invested with any one issuer.

4. Maturity Limitation

A maximum length to maturity for an investment in any ABS is five (5) years from the date of trade settlement. The maturity of asset-backed securities shall be considered the date corresponding to its average life. This date reflects the point at which an investor will have received back half of the original principal (face) amount. The average life may be different from the stated legal maturity included in a security's description.

XIV. UNAUTHORIZED INVESTMENTS

Investments in any derivative products or the use of reverse repurchase agreements are prohibited. A "derivative" is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values. All other investments not specifically stated under "Allowable Investments" are prohibited.

XV. PERFORMANCE MEASUREMENTS

In order to assist in the evaluation of the portfolio's performance, the Village will use performance benchmarks for short-term and long-term portfolios. The use of benchmarks will allow the Village to measure its returns against other investors in the same markets.

1. For the short-term investment program (strategies with less than 12 months maturity), the S&P Rated GIP Index, or similar index, will be used as a benchmark as compared to the portfolios' net book value rate of return for current operating funds.

Investment performance of funds designated as core funds and other funds that have a long-term (greater than 12 months average maturity) investment horizon, and are actively managed, will be compared to an appropriate index comprised having a duration and asset mix that approximates that of the portfolios. The index will be utilized as a benchmark to be compared to the portfolio's total rate of return. Examples of an appropriate index include: the ICE BofAML Merrill Lynch 1-3 Year Government & Corporate AA Index and/or the ICE BofAML Merrill Lynch 1-5 Year Government & Corporate AA Index. The Village will determine an appropriate benchmark based upon the characteristics of the longer-term core portfolio(s).

2. Investment advisors will report performance on both book value and total rate of return basis and compare results to the above-stated benchmarks for all actively managed portfolios. Investment advisors will report on book value for passively managed portfolios.

XVI. ACCOUNTING AND REPORTING

Investments will be carried at book value and marked to market value. Gains or losses from investments will be credited or charged to investment income at the time of sale. Premiums or discounts on securities may be amortized over the life of the securities. The Village shall comply with Generally Accepted Accounting Principles ("GAAP") and Government Accounting Standard Board ("GASB") standards.

The Director shall prepare a Quarterly Investment Report which shall be presented to the Village Manager and the Village Commission. The quarterly investment report is available to the public upon request. Schedules in the quarterly report will include the following:

A. Listing of investments by type, book value, and market value as of the report date as well as portfolio activity during the period.
B. Weight, by percentage, of each security type within the portfolio.
C. Investment balance at end of quarter.
D. Income earned for the quarter and year-to-date.
E. Comparison of quarterly and calendar year-to-date performance to authorized performance benchmarks.
F. Weighted average maturity of the portfolio.

The Director shall report any occurrences of non-compliance with this policy in writing to the Village Manager as soon as reasonably possible once he or she is aware of the occurrence.

XVII. THIRD-PARTY CUSTODIAL AGREEMENTS

Securities, with the exception of certificates of deposits and overnight repurchase agreements (one business day), shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by, the Village should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the Director and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, from safekeeping, shall be permitted unless by such a duly authorized person.

The custodian shall provide the Director with safekeeping receipts that provide detail information on the securities held by the custodian. In addition, the custodian shall report at least quarterly, and the Director shall verify the reports. Settlement transactions between a broker/dealer and the custodian on behalf of the Village that involve a settlement of investments purchased or sold by the Director or Investment Manager must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand on behalf of the Village at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.

XVIII. MUNICIPAL ADVISOR RULE

Brokers and dealers who execute investment trades directly with the Village of Estero's portfolio typically require a form to be signed stating they are not acting in a Municipal Advisor Role. The Director shall be authorized to sign these forms for the Village's authorized broker/dealers.

XIX. RISK DIVERSIFICATION

There are risks inherent in investing; however, every investment portfolio should include a specific diversification strategy to eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer or class of securities. The investments shall be diversified by:

A. Limiting investments to avoid over-concentration in securities from a specific issuer or of a specific type.
B. Staggering investment maturities to avoid undue concentration in a specific maturity sector.
C. Limiting the duration (price sensitivity and maturity) of the investment portfolio.
D. Investing in only high-grade securities with low credit risk.
E. Maintaining a portion of the portfolio in readily available funds such as state investment pools, money market mutual funds, or overnight repurchase agreements.

XX. INVESTMENT POLICY ADOPTION AND AMENDMENTS

This Investment Policy is official upon its adoption by the Village Commission. The Director shall prepare any proposed amendments to the Investment Policy and submit them to the Village Manager and the Village Commission for review and approval.

GLOSSARY OF KEY INVESTMENT TERMS

Accrued Interest. Interest earned but which has not yet been paid or received.

Agency. See "Federal Agency Securities."

Ask Price. Price at which a broker/dealer offers to sell a security to an investor. Also known as “offered price.”

Asset Backed Securities (ABS). A fixed-income security backed by notes or receivables against assets other than real estate. Generally issued by special purpose companies that “own” the assets and issue the ABS. Examples include securities backed by auto loans, credit card receivables, home equity loans, manufactured housing loans, farm equipment loans and aircraft leases.

Bankers' Acceptance (BA's). A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a money market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Basis Point. One hundredth of one percent, or 0.01%. Thus 1% equals 100 basis points.

Bearer Security. A security whose ownership is determined by the holder of the physical security. Typically, there is no registration on the issuer’s books. Title to bearer securities is transferred by delivery of the physical security or certificate. Also known as “physical securities.”

Benchmark Bills: In November 1999, FNMA introduced its Benchmark Bills program, a short-term debt securities issuance program to supplement its existing discount note program. The program includes a schedule of larger, weekly issues in three- and sixth-month maturities and biweekly issues in one-year for Benchmark Bills. Each issue is brought to market via a Dutch (single price) auction. FNMA conducts a weekly auction for each Benchmark Bill maturity and accepts both competitive and non-competitive bids through a web based auction system. This program is in addition to the variety of other discount note maturities, with rates posted on a daily basis, which FNMA offers. FNMA's Benchmark Bills are unsecured general obligations that are issued in book-entry form through the Federal Reserve Banks. There are no periodic payments of interest on Benchmark Bills, which are sold at a discount from the principal amount and payable at par at maturity. Issues under the Benchmark program constitute the same credit standing as other FNMA discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

Benchmark Notes/Bonds: Benchmark Notes and Bonds are a series of FNMA “bullet” maturities (non-callable) issued according to a pre-announced calendar. Under its Benchmark Notes/Bonds program, 2, 3, 5, 10 and 30-year maturities are issued each quarter. Each Benchmark Notes new issue has a minimum size of $4 billion, 30-year new issues having a minimum size of $1 billion, with reopenings based on investor demand to further enhance liquidity. The amount of non-callable issuance has allowed FNMA to build a yield curve in Benchmark Notes and Bonds in maturities ranging from 2 to 30 years. The liquidity emanating from these large size issues has facilitated favorable financing opportunities through the development of a liquid overnight and term repo market. Issues under the Benchmark program constitute the same credit standing as other FNMA issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Benchmark. A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance and duration of the actual portfolio's investments.

Bid Price. Price at which a broker/dealer offers to purchase a security from an investor.

Bond Market Association (BMA). The bond market trade association representing the largest securities markets in the world. In addition to publishing a Master Repurchase Agreement, widely accepted as the industry standard document for Repurchase Agreements, the BMA also recommends bond market closures and early closes due to holidays.

Bond. Financial obligation for which the issuer promises to pay the bondholder (the purchaser or owner of the bond) a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Entry Securities. Securities that are recorded in a customer's account electronically through one of the financial markets electronic delivery and custody systems, such as the Fed Securities wire, DTC and PTC (as opposed to bearer or physical securities). The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors' concerns about the certificates themselves. The vast majority of securities are now book entry securities.

Book Value. The value at which a debt security is reflected on the holder's records at any point in time. Book value is also called "amortized cost" as it represents the original cost of an investment adjusted for amortization of premium or accretion of discount. Also called "carrying value." Book value can vary over time as an investment approaches maturity and differs from "market value" in that it is not affected by changes in market interest rates.

Broker/Dealer. A person or firm transacting securities business with customers. A "broker" acts as an agent between buyers and sellers, and receives a commission for these services. A "dealer" buys and sells financial assets from its own portfolio. A dealer takes risk by owning inventory of securities, whereas a broker merely matches up buyers and sellers. See also "Primary Dealer."

Bullet Notes/Bonds. Notes or bonds that have a single maturity date and are non-callable.

Call Date. Date at which a call option may be or is exercised.

Call Option. The right, but not the obligation, of an issuer of a security to redeem a security at a specified value and at a specified date or dates prior to its stated maturity date. Most fixed-income calls are a par, but can be at any previously established price. Securities issued with a call provision typically carry a higher yield than similar securities issued without a call feature. There are three primary types of call options (1) European - one-time calls, (2) Bermudan - periodically on a predetermined schedule (quarterly, semi-annual, annual), and (3) American - continuously callable at any time on or after the call date. There is usually a notice period of at least 5 business days prior to a call date.

Callable Bonds/Notes. Securities, which contain an imbedded call option giving the issuer, has the right to redeem the securities prior to maturity at a predetermined price and time.

Certificate of Deposit (CD). Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity). Can be as long as 10 years to maturity, but most CDs purchased by public agencies are one year and under.

Collateral. Investment securities or other property that a borrower pledges to secure repayment of a loan, secure deposits of public monies, or provide security for a repurchase agreement.

Collateralized Mortgage Obligation (CMO). A security that pools together mortgages and separates them into short, medium, and long-term positions (called tranches). Tranches are set up to pay different rates of interest depending upon their maturity. Interest payments are usually paid monthly. In "plain vanilla" CMOs, principal is not paid on a tranche until all shorter tranches have been paid off. This system provides interest and principal in a more predictable manner. A single pool of mortgages can be carved up into numerous tranches each with its own payment and risk characteristics.

Commercial Paper. Short term unsecured promissory note issued by a company or financial institution. Issued at a discount and matures for par or face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

Corporate Note. A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

Counterparty. The other party in a two party financial transaction. "Counterparty risk" refers to the risk that the other party to a transaction will fail in its related obligations. For example, the bank or broker/dealer in a repurchase agreement.

Coupon Rate. Annual rate of interest on a debt security, expressed as a percentage of the bond's face value.

Current Yield. Annual rate of return on a bond based on its price. Calculated as (coupon rate / price), but does not accurately reflect a bond's true yield level.

Custody. Safekeeping services offered by a bank, financial institution or trust company, referred to as the "custodian." Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement and market values.

Delivery Versus Payment (DVP). Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (DTC). A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs and BAs clear through DTC.

Derivative. A financial instrument whose value is based on or determined by another security, financial instrument or index.

Designated Bond. FFCB's regularly issued, liquid, non-callable securities that generally have a 2 or 3 year original maturity. New issues of Designated Bonds are $1 billion or larger. Reopenings of existing Designated Bond issues are generally a minimum of $100 million. Designated Bonds are offered through a syndicate of two to six dealers. Twice each month the Funding Corporation announces its intention to issue a new Designated Bond, reopen an existing issue, or to not issue or reopen a Designated Bond. Issues under the Designated Bond program constitute the same credit standing as other FFCB issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Discount Notes. Unsecured general obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Very large primary (new issue) and secondary markets.

Discount Rate. Rate charged by the system of Federal Reserve Banks on overnight loans to member banks. Changes to this rate are administered by the Federal Reserve and closely mirror changes to the "fed funds rate."

Discount Securities. Non-interest bearing money market instruments that are issued at discount and redeemed at maturity for full face value. Examples include U.S Treasury Bills, Federal Agency Discount Notes, Bankers' Acceptances and Commercial Paper.

Discount. The amount by which a bond or other financial instrument sells below its face value. See also "Premium."

Diversification. Dividing investment funds among a variety of security types, maturities, industries and issuers offering potentially independent returns.

Dollar Price. A bond's cost expressed as a percentage of its face value. For example, a bond quoted at a dollar price of 95 ½, would have a principal cost of $955 per $1,000 of face value.

Duff & Phelps. One of several NRSROs that provide credit ratings on corporate and bank debt issues.

Duration. The weighted average maturity of a security's or portfolio's cash flows, where the present values of the cash flows serve as the weights. The greater the duration of a security/portfolio, the greater its percentage price volatility with respect to changes in interest rates. Used as a measure of risk and a key tool for managing a portfolio versus a benchmark and for hedging risk. There are also different kinds of duration used for different purposes (e.g. MacAuley Duration – a

measure of the weighted average term to maturity of the cash flows of a fixed income asset or portfolio, Modified Duration – a common gauge of the price sensitivity of a fixed income asset or portfolio to a change in interest rates).

Fannie Mae. See "Federal National Mortgage Association."

Fed Money Wire. A computerized communications system that connects the Federal Reserve System with its member banks, certain U. S. Treasury offices, and the Washington D.C. office of the Commodity Credit Corporation. The Fed Money Wire is the book entry system used to transfer cash balances between banks for themselves and for customer accounts.

Fed Securities Wire. A computerized communications system that facilitates book entry transfer of securities between banks, brokers and customer accounts. Used primary for settlement of U.S. Treasury and Federal Agency securities.

Fed. See "Federal Reserve System."

Federal Agency Security. A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Agency. Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets. The largest Federal Agencies are GNMA, FNMA, FHLMC, FHLB, FFCB, SLMA, and TVA.

Federal Deposit Insurance Corporation (FDIC). Federal agency that insures deposits at commercial banks, currently to a limit of $100,000 per depositor per bank.

Federal Farm Credit Bank (FFCB). One of the large Federal Agencies. A Government Sponsored Enterprise (GS) system that is a network of cooperatively-owned lending institutions that provides credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. Consists of the consolidated operations of the Banks for Cooperatives, Federal Intermediate Credit Banks, and Federal Land Banks. Frequent issuer of discount notes, agency notes and callable agency securities. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and agricultural industry. Also issues notes under its “designated note” program.

Federal Funds (Fed Funds). Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

Federal Funds Rate (Fed Funds Rate). The interest rate charged by a depository institution lending Federal Funds to another depository institution. The Federal Reserve influences this rate by establishing a "target" Fed Funds rate associated with the Fed's management of monetary policy.

Federal Home Loan Bank System (FHLB). One of the large Federal Agencies. A Government Sponsored Enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its “global note” and “TAP” programs.

Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to

have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “reference note” program.

Federal National Mortgage Association (FNMA or "Fannie Mae"). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “benchmark note” program.

Federal Reserve Bank. One of the 12 distinct banks of the Federal Reserve System.

Federal Reserve System (the Fed). The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven member Board of Governors known as the “Federal Reserve Board” and headed by its Chairman.

Fiscal Agent/Paying Agent. A bank or trust company that acts, under a trust agreement with a corporation or municipality, in the capaVillage of general treasurer. The agent performs such duties as making coupon payments, paying rents, redeeming bonds, and handling taxes relating to the issuance of bonds.

Fitch Investors Service, Inc. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

Floating Rate Security (FRN or “floater”). A bond with an interest rate that is adjusted according to changes in an interest rate or index. Differs from variable-rate debt in that the changes to the rate take place immediately when the index changes, rather on a predetermined schedule. See also “Variable Rate Security.”

Freddie Mac. See "Federal Home Loan Mortgage Corporation".

Ginnie Mae. See "Government National Mortgage Association".

Global Notes: Notes designed to qualify for immediate trading in both the domestic U.S. capital market and in foreign markets around the globe. Usually large issues that are sold to investors worldwide and therefore have excellent liquidity. Despite their global sales, global notes sold in the U.S. top U.S. investors are typically denominated in U.S. dollars.

Government National Mortgage Association (GNMA or "Ginnie Mae"). One of the large Federal Agencies. Government-owned Federal Agency that acquires, packages, and resells mortgages and mortgage purchase commitments in the form of mortgage-backed securities. Largest issuer of mortgage pass-through securities. GNMA debt is guaranteed by the full faith and credit of the U.S. government (one of the few agencies that is actually full faith and credit of the U.S.).

Government Sponsored Enterprise (GSE). Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Some consider GSEs to be stealth recipients of corporate welfare. Examples of GSEs include: FHLB, FHLMC, FNMA and SLMA.

Government Sponsored Enterprise Security. A security issued by a Government Sponsored Enterprise. Considered Federal Agency Securities.

Index. A compilation of statistical data that tracks changes in the economy or in financial markets.

Interest-Only (IO) STRIP. A security based solely on the interest payments from the bond. After the principal has been repaid, interest payments stop and the value of the security falls to nothing. Therefore, IOs are considered risky investments. Usually associated with mortgage-backed securities.

Inverse Floater. A floating rate security structured in such a way that it reacts inversely to the direction of interest rates. Considered risky as their value moves in the opposite direction of normal fixed-income investments and whose interest rate can fall to zero.

Investment Advisor. A company that provides professional advice managing portfolios, investment recommendations and/or research in exchange for a management fee.

Investment Grade. Bonds considered suitable for preservation of invested capital; bonds rated a minimum of Baa3 by Moody's, BBB- by Standard & Poor's, or BBB- by Fitch. Although "BBB" rated bonds are considered investment grade, most public agencies cannot invest in securities rated below "A."

Liquidity. Relative ease of converting an asset into cash without significant loss of value. Also, a relative measure of cash and near-cash items in a portfolio of assets. Also, a term describing the marketability of a money market security correlating to the narrowness of the spread between the bid and ask prices.

Market Value. The fair market value of a security or commodity. The price at which a willing buyer and seller would pay for a security.

Mark-to-market. Adjusting the value of an asset to its market value, reflecting in the process unrealized gains or losses.

Master Repurchase Agreement. A widely accepted standard agreement form published by the Bond Market Association (BMA) that is used to govern and document Repurchase Agreements and protect the interest of parties in a repo transaction.

Maturity Date. Date on which principal payment of a financial obligation is to be paid.

Medium Term Notes (MTN's). Used frequently to refer to corporate notes of medium maturity (5-years and under). Technically, any debt security issued by a corporate or depository institution with a maturities from 1 to 10 years and issued under an MTN shelf registration. Usually issued in smaller issues with varying coupons and maturities, and underwritten by a variety of broker/dealers (as opposed to large corporate deals issued and underwritten all at once in large size and with a fixed coupon and maturity).

Money Market Account. An investment vehicle that allows for the pooling and investing of funds in traditional money market instruments, typically U.S. Government Securities and Instrumentalities.

Money Market Mutual Fund (MMF). A type of mutual fund that invests solely in money market instruments, such as Treasury bills, commercial paper, bankers' acceptances, and repurchase agreements. Money market mutual funds are registered with the SEC under the Investment Company Act of 1940 and are subject "rule 2a-7" which significantly limits average maturity and credit quality of holdings. MMF's are managed to maintain a stable net asset value (NAV) of $1.00. Many MMFs carry ratings by a NRSRO.

Moody's Investors Service. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

Mortgage Backed Securities (MBS). Mortgage-backed securities represent an ownership interest in a pool of mortgage loans made by financial institutions, such as savings and loans, commercial banks, or mortgage companies, to finance the borrower's purchase of a home or other real estate. The majority of MBS are issued and/or guaranteed by GNMA, FNMA and FHLMC. There are a variety of MBS structures, some of which can be very risky and complicated. All MBS have reinvestment risk as actual principal and interest payments are dependent on the payment of the underlying mortgages which can be prepaid by mortgage holders to refinance and lower rates or simply because the underlying property was sold.

Mortgage Pass-Through Securities. A pool of residential mortgage loans with the monthly interest and principal distributed to investors on a pro-rata basis. Largest issuer is GNMA.

Municipal Note/Bond. A debt instrument issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Mutual Fund. Portfolio of securities professionally managed by a registered investment company that issues shares to investors. Many different types of mutual funds exist (bond, equity, money fund); all except money market funds operate on a variable net asset value (NAV).

National Association of Securities Dealers (NASD). Organization of brokers and dealers who trade securities in the United States, supervised by the SEC, and which provides regulatory exams for industry participants.

Negotiable Certificate of Deposit (Negotiable CD). Large denomination CDs ($100,000 and larger) that are issued in bearer form and can be traded in the secondary market.

NOW Checking Account (Negotiable Order of Withdrawal account). Deposit account on which checks may be drawn that pays a higher interest rate than savings accounts.

NRSRO. A "Nationally Recognized Statistical Rating Organization." A designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating. Includes Moody's, Standard & Poor's, Fitch and Duff & Phelps.

Offered Price. See also "Ask Price."

Open Market Operations. Federal Reserve monetary policy tactic entailing the purchase or sale of government securities in the open market by the Federal Reserve System from and to primary dealers in order to influence the money supply, credit conditions, and interest rates.

Par Value. Face value, stated value or maturity value of a security.

Physical Delivery. Delivery of readily available underlying assets at contract maturity.

Portfolio. Collection of securities and investments held by an investor.

Premium. The amount by which a bond or other financial instrument sells above its face value. See also "Discount."

Primary Dealer. Any of a group of designated government securities dealers designated by to the Federal Reserve Bank of New York. Primary dealers can buy and sell government securities directly with the Fed. Primary dealers also submit daily reports of market activity and security positions held to the Fed and are subject to its informal oversight. Primary dealers are considered the largest players in the U.S. Treasury securities market.

Prime Paper. Commercial paper of high quality. Highest rated paper is A-1+/A-1 by S&P and P-1 by Moody's.

Principal. Face value of a financial instrument on which interest accrues. May be less than par value if some principal has been repaid or retired. For a transaction, principal is par value times price and includes any premium or discount.

Prudent Investor Standard. Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capaVillage and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. More stringent than the "prudent person" standard as it implies a level of knowledge commensurate with the responsibility at hand.

Range Note. A type of structured note that accrues interest daily at a set coupon rate that is tied to an index. Most range notes have two coupon levels; a higher accrual rate for the period the index is within a designated range, the lower accrual rate for the period that the index falls outside the designated range. This lower rate may be zero and may result in zero earnings.

Rate of Return. Amount of income received from an investment, expressed as a percentage of the amount invested.

Rating. An evaluation of credit quality of a company's debt issue. Investors and analysts use ratings to assess the risk characteristics of an investment. Ratings can also be an evaluation of a entity's creditworthiness or ability to repay, taking into consideration its estimated percentage default rate and political risk. The Village may use the following rating agencies: Moody's, Standard and Poor's, and Fitch Investors Service.

AAA or Aaa rating – the best quality, reliable and stable; judged to be of the highest quality, with minimal credit risk.

AA or Aa rating – quality, a bit higher risk than AAA/Aaa; judged to be of high quality and are subject to very low credit risk.

A rating – considered upper-medium grade quality; subject to low credit risk.

Realized Gains (Losses). The difference between the sale price of an investment and its book value. Gains/losses are "realized" when the security is actual sold, as compared to "unrealized" gains/losses which are based on current market value. See "Unrealized Gains (Losses)."

Reference Bills: FHLMC's short-term debt program created to supplement its existing discount note program by offering issues from one month through one year, auctioned on a weekly or on an alternating four-week basis (depending upon maturity) offered in sizeable volumes ($1 billion and up) on a cycle of regular, standardized issuance. Globally sponsored and distributed, Reference Bill issues are intended to encourage active trading and market-making and facilitate the development of a term repo market. The program was designed to offer predictable supply, pricing transparency and liquidity, thereby providing alternatives to Treasury bills. FHLMC's Reference Bills are unsecured general corporate obligations. This program supplements the corporation's existing discount note program. Issues under the Reference program constitute the same credit standing as other FHLMC discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

Reference Notes: FHLMC's intermediate-term debt program with issuances of 2, 3, 5, 10 and 30-year maturities. Initial issuances range from $2 - $6 billion with reopenings ranging $1 - $4 billion. The notes are high-quality bullet structures securities that pay interest semiannually. Issues under the Reference program constitute the same credit standing as other FHLMC notes; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Repurchase Agreement (Repo). A short-term investment vehicle where an investor agrees to buy securities from a counterparty and simultaneously agrees to resell the securities back to the counterparty at an agreed upon time and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement. In effect, it represents a collateralized loan to the investor, where the securities are the collateral. Can be DVP, where securities are delivered to the investor's custodial bank, or "tri-party" where the securities are delivered to a third party intermediary. Any type of security can be used as "collateral," but only some types provide the investor with special bankruptcy protection under the law. Repos should be undertaken only when an appropriate BMA approved master repurchase agreement is in place.

Reverse Repurchase Agreement (Reverse Repo). A repo from the point of view of the original seller of securities. Used by dealers to finance their inventory of securities by essentially borrowing at short-term rates. Can also be used to leverage a portfolio and in this sense, can be considered risky if used improperly.

Safekeeping. Service offered for a fee, usually by financial institutions, for the holding of securities and other valuables. Safekeeping is a component of custody services.

Sallie Mae. See "Student Loan Marketing Association."

Savings Account. An interest bearing account offered by banks and financial institutions.

Secondary Market. Markets for the purchase and sale of any previously issued financial instrument.

Securities Lending. An arrangement between and investor and a custody bank that allows the custody bank to “loan” the investors investment holdings, reinvest the proceeds in permitted investments, and shares any profits with the investor. Should be governed by a securities lending agreement. Can increase the risk of a portfolio in that the investor takes on the default risk on the reinvestment at the discretion of the custodian.

Sinking Fund. A separate accumulation of cash or investments (including earnings on investments) in a fund in accordance with the terms of a trust agreement or indenture, funded by periodic deposits by the issuer (or other entity responsible for debt service), for the purpose of assuring timely availability of moneys for payment of debt service. Usually used in connection with term bonds.

Spread. The difference between the price of a security and similar maturity Treasury investments, expressed in percentage terms or basis points. A spread can also be the absolute difference in yield between two securities. The securities can be in different markets or within the same securities market between different credits, sectors, or other relevant factors.

Standard & Poor's. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

STRIPS (Separate Trading of Registered Interest and Principal of Securities). Acronym applied to Treasury securities that have had their coupons and principal repayments separated into individual zero-coupon Treasury securities. The same technique and "strips" description can be applied to non-Treasury securities (e.g. FNMA strips).

Structured Notes. Notes that have imbedded into their structure options such as step-up coupons or derivative-based returns.

Student Loan Marketing Association (SLMA or "Sallie Mae"). One of the large Federal Agencies. A federally-charted public corporation (GSE) created to provide liquidity and a secondary market for lenders for loans to students and educational institutions. In 1997, SLMA initiated a process of unwinding its status as a GSE; however, until the process is complete, all debt issued will be considered GSE debt until maturity. SLMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and education sector. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its “global note” program.

TAP Notes: Federal Agency notes issued under the FHLB TAP program. Launched in 6/99 as a refinement to the FHLB bullet bond auction process. In a break from the FHLB’s traditional practice of bringing numerous small issues to market with similar maturities, the TAP Issue Program uses the four most common maturities and reopens them up regularly through a competitive auction. These maturities (2,3,5 and 10 year) will remain open for the calendar quarter, after which they will be closed and a new series of TAP issues will be opened to replace them. This reduces the number of separate bullet bonds issued, but generates enhanced awareness and liquidity in the marketplace through increased issue size and secondary market volume.

Tennessee Valley Authority (TVA). One of the large Federal Agencies. A wholly owned corporation of the United States government that was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. Power operations are separated from non-power operations. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to $30 billion. Under this authorization, TVA may also obtain advances from the Treasury of up to $150 million. Frequent issuer of discount notes, agency notes and callable agency securities.

Total Return. Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Treasuries. Collective term used to describe debt instruments backed by the U.S. Government and issued through the U.S. Department of the Treasury. Includes Treasury bills, Treasury notes, and Treasury bonds. Also a benchmark term used as a basis by which the yields of non-Treasury securities are compared (e.g., "trading at 50 basis points over Treasuries").

Treasury Bills (T-Bills). Short-term direct obligations of the United States Government issued with an original term of one year or less. Treasury bills are sold at a discount from face value and do not pay interest before maturity. The difference between the purchase price of the bill and the maturity value is the interest earned on the bill. Currently, the U.S. Treasury issues 4-week, 13-week and 26-week T-Bills

Treasury Bonds. Long-term interest-bearing debt securities backed by the U.S. Government and issued with maturities of ten years and longer by the U.S. Department of the Treasury. The Treasury stopped issuing Treasury Bonds in August 2001.

Treasury Notes. Intermediate interest-bearing debt securities backed by the U.S. Government and issued with maturities ranging from one to ten years by the U.S. Department of the Treasury. The Treasury currently issues 2-year, 5-year and 10-year Treasury Notes.

Trustee. A bank designated by an issuer of securities as the custodian of funds and official representative of bondholders. Trustees are appointed to insure compliance with the bond documents and to represent bondholders in enforcing their contract with the issuer.

Uniform Net Capital Rule. SEC regulation 15C3-1 that outlines the minimum net capital ratio (ratio of indebtedness to net liquid capital) of member firms and non-member broker/dealers.

Unrealized Gains (Losses). The difference between the market value of an investment and its book value. Gains/losses are “realized” when the security is actual sold, as compared to “unrealized” gains/losses which are based on current market value. See also “Realized Gains (Losses).”

Variable-Rate Security. A bond that bears interest at a rate that varies over time based on a specified schedule of adjustment (e.g., daily, weekly, monthly, semi-annually or annually). See also “Floating Rate Note.”

Weighted Average Maturity (or just “Average Maturity”). The average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. A simple measure of risk of a fixed-income portfolio.

Weighted Average Maturity to Call. The average maturity of all securities and investments of a portfolio, adjusted to substitute the first call date per security for maturity date for those securities with call provisions.

Yield Curve. A graphic depiction of yields on like securities in relation to remaining maturities spread over a time line. The traditional yield curve depicts yields on Treasuries, although yield curves exist for Federal Agencies and various credit quality corporates as well. Yield curves can be positively sloped (normal) where longer-term investments have higher yields, or “inverted” (uncommon) where longer-term investments have lower yields than shorter ones.

Yield to Call (YTC). Same as “Yield to Maturity,” except the return is measured to the first call date rather than the maturity date. Yield to call and be significantly higher or lower than a security’s yield to maturity.

Yield to Maturity (YTM). Calculated return on an investment, assuming all cash flows from the security are reinvested at the same original yield. Can be higher or lower than the coupon rate depending on market rates and whether the security

was purchased at a premium or discount. There are different conventions for calculating YTM for various types of securities.

Yield. There are numerous methods of yield determination. In this glossary, see also "Current Yield," "Yield Curve," "Yield to Call" and "Yield to Maturity."

AGENDA ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
March 6, 2024

Agenda Item:

Second Reading of Ordinance No. 2024-03 regarding code enforcement procedures.

Background:

The process of local government code enforcement is regulated primarily by Florida Statutes Chapter 162. Article II of Chapter 1 of the Village Code currently addresses code enforcement within the Village. Those provisions were adopted in 2015 and have not been revisited by the Council since.

On January 3rd 2024, the Village Council conducted a workshop session related to the topic of code enforcement and provided feedback to Village staff on Council's current perspective on how the process is conducted. At its meeting on January 24th 2024, the Village Council asked the Village Attorney to perform a review of the Village Code and to bring back recommended revisions to remove or revise any outdated, preempted or lawfully questionable provisions, and to incorporate best practices as to the governmental/regulatory functions the Village performs.

The Village Attorney has reviewed the Village's code enforcement code and has drafted the attached Ordinance 2024-03 recommending revisions to the current code. With respect to issues in the current code:

- Currently, the code refers to a code enforcement board. However, that enforcement method is not used by the Village as the Village adopted a special magistrate model. References to a CEB are therefore removed.

- The current code provide that the issuance of liens shall be at the discretion of the CEB or magistrate, but that the Council may, by resolution, adopt standard code fines. However, the magistrate does not play a role in a code enforcement order imposing fines becoming a lien. Rather, the Village's code enforcement staff will made the decision to file such orders with the Clerk of Courts, thus causing the orders to become liens. In addition, since Florida law requires the magistrate to consider the amount of each daily fine to be imposed on a case-by-case basis,

creation of uniform code fines is not advised. These provisions are therefore removed.

- The current code does not provide for a level of detail with respect to the notice procedures which are not only called for in the statutes, but which the state's courts have over time ruled are requirements to ensure due process is afforded.

The draft Ordinance provides, in a 'one stop' location for residents and staff to refer to, the enforcement options available to the Village, the extent of authority of the magistrates, and the important procedural steps of which both Village staff and residents involved in the process should be aware. Among the enhancements provided to the current code, the Ordinance:

- Provides for a statement of intent with respect to why the Village engages in the code enforcement process

- Confirms that the Village's primary method of enforcement is by way of the special magistrate system, while also preserving the Village's authority to utilize alternative enforcement methods, and affirming the independent authority of the Fire Marshal and Building Official to exercise their authority independent of the code enforcement process

- Provides a definition section so residents can easily access the meaning of the key terms used in the code enforcement process.

- Provides for the appointment of more than one special magistrate to ensure that cases can be heard regardless of availability or potential conflict related to an individual magistrate, and clarifies the standards to be applied by magistrates when a party seeks their recusal due to conflicts.

- Clarifies the role of the Village Attorney in the process is to represent the Village, and not the magistrate, during proceedings.

- Provides for an initial 'courtesy' notice for non-urgent/non-repeat violations prior to the code enforcement officer's initiation of a formal violation notice.

- Sets forth the process to be followed by the owner-violator should property subject to a violation notice is transferred during the enforcement process.

- Provides for standard procedures for the conduct of enforcement hearings, including setting forth the process a magistrate must use prior to ordering the removal of anyone from a hearing.

- Contains an important provision which confines the magistrate's authority to only ruling upon the code enforcement violation charge at issue, and clarifying that the magistrate does not have the jurisdiction to render a declaration regarding underlying title to property rights/ownership, or declarations regarding whether a property is grandfathered under the Village's zoning code, or to address a party's assertion that their constitutional rights were violated.

- Sets forth the three factors a magistrate must consider prior to imposing a daily fine.

- Confirms that, in accordance with state law, the Village Council is the authority which must agree to compromise or eliminate a recorded code lien.

- Sets forth the information which a Village code lien must contain in order to be valid against creditors and subsequent purchasers.

- Prohibits violators or witnesses from engaging in *ex parte* communications with the magistrate outside of the hearing setting.

- Provides the violator and the Village Council may appeal from a ruling of the magistrate.

- Provides for the process to be used if a Deputy issues a citation for county court based on their authority to enforce municipal codes.

- Confirms that in addition to using the quasi-judicial enforcement process, the Village may elect to file a civil suit (including a public nuisance action) if the circumstances suggest that method would be most advantageous to gaining compliance and remediation.

The Village's code enforcement staff has reviewed the provisions of the Ordinance and are supportive of the Ordinance's adoption.

Action Requested: Motion to adopt Ordinance No. 2024-03.

Process and Timeline:

The first reading was held on February 21, 2024, and passed to second reading.

Financial Impact:

The Ordinance brings the Village's published policy more in line with how the Village is already operating the code enforcement function. Therefore, there is no fiscal impact related to the Ordinance's adoption.

Prepared by: Robert Eschenfelder, Village Attorney

Attachments:

1. Ordinance No. 2024-03

ORDINANCE NO. 2024 - 03

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF ESTERO, FLORIDA, AMENDING ARTICLE II OF CHAPTER 1 OF THE VILLAGE CODE REGARDING CODE ENFORCEMENT; MAKING RELATED FINDINGS; AND PROVIDING FOR SEVERABILITY, CODIFICATION AND AN EFFECTIVE DATE.

WHEREAS, the process of local government code enforcement is regulated primarily by Florida Statutes Chapter 162; and

WHEREAS, Article II of Chapter 1 of the Village Code addresses code enforcement within the Village; and

WHEREAS, at its meeting on January 24th 2024, the Village Council asked the Village Attorney to perform a review of the Village Code and to bring back recommended revisions to remove any outdated, preempted or lawfully questionable provisions, and to incorporate best practices as to the various governmental and regulatory functions the Village and its staff performs; and

WHEREAS, as the Village Attorney has reviewed the Village's code enforcement code, which was adopted in 2015, and has recommended adoption of the revisions set forth in this Ordinance; and

WHEREAS, the Village Council has considered the Village Attorney's recommendations, the recommendations of Village staff with oversight regarding the code enforcement function, and input from residents provided at Council meetings on the Ordinance; and

WHEREAS, the Village Council finds that the provisions in this Ordinance are in the best interests of the Village and its residents and business community.

NOW, THEREFORE, be it ordained by the Village Council of the Village of Estero, Florida:

Section 1. Article II (Code Enforcement) of Chapter 1 (General Provisions) of the Village Code is hereby amended as follows:

ARTICLE II. – CODE ENFORCEMENT

DIVISION 1. – GENERAL PROVISIONS AND MAGISTRATE PROCESS

Sec. 1-41. – Intent.

The intent of this article is to authorize the use of a local government code enforcement special magistrate, and to adopt code enforcement procedures and enforcement options in order to

promote, protect and improve the health, safety and welfare of the citizens of the village by providing for equitable, expeditious, effective and inexpensive methods of enforcing the village code.

Sec. 1-42. – Applicability; optional enforcement.

Pursuant to Florida Statutes Chapter 162, the village is authorized to create or abolish by ordinance local government code enforcement systems. This article creates a code enforcement system that gives a code enforcement special magistrate designated by the council the authority to hold hearings and assess fines against violators of the village's code. A special magistrate shall have the same status as a code enforcement board as provided under Florida Statutes Chapter 162, and in this article. The provisions of this article shall in no way be construed to limit the power of the village to proceed in any other civil or criminal proceeding or in any other forum to enforce its code. Nor shall the provisions of this article negate the independent statutory authority of the village's fire marshal and building official to enforce the fire code and building code.

Sec. 1-43. - Definitions.

The following definitions are applicable to this article and have the following meanings:

Code enforcement special magistrate—The person(s) appointed by the council to serve as special magistrate and to administer the provisions of this article.

Code enforcement officer—Any employee or authorized agent of the village whose duty it is by virtue of job description, contract, or other lawful designation to assure code compliance through investigation and enforcement. In addition to any other person so designated, a deputy sheriff and any municipal law enforcement officer providing law enforcement services to the village are authorized to enforce the village's codes according to the provisions of this article.

Repeat violation—A violation of a provision of the village code by a person, business, or other entity who or which has previously been found by the special magistrate or through any other quasi-judicial or judicial process, to have violated (or who has admitted violating) the same provision within five years prior to the violation, notwithstanding the location of the prior violation(s).

Sec. 1-44. – Appointment of special magistrates; role of village attorney.

(a) The council may, from time to time, appoint one or more persons to serve as code enforcement special magistrate. Such persons must be members in good standing of The Florida Bar and possess such other skills and experience as the council may require, with such compensation as is deemed appropriate by the council. Appointed magistrates will be subject to any oath or additional requirements as may be set forth in state law.

(b) Unless otherwise specified by contract, special magistrates shall have no set term of appointment. Upon initial appointment to preside over a case, a special magistrate shall

review the identity of the alleged violator(s) so as to ensure the magistrate does not have any family, business or other such involvement with the violator(s) such that a conflict of interest would be present. Should such a conflict be identified, the special magistrate shall recuse her or himself and an alternative magistrate will be appointed to preside over the case. The recusal standards established in the state supreme court's judicial conduct code will control such questions.

(c) The village manager or designee shall assign any violation notice referred by the code enforcement officer for hearing to the special magistrate. In the event more than one person is appointed special magistrate, the village staff shall endeavor to rotate assignments to permit each magistrate to remain current and active.

(d) The code enforcement officer is authorized to present cases before the special magistrate. The village attorney will attend special magistrate hearings to represent the village, and may, in conjunction with the code enforcement officer, present or argue complex or legally significant cases before the special magistrate.

Sec. 1-45. – Enforcement procedures.

(a) It shall be the duty of the code enforcement officer to initiate enforcement proceedings of the various codes. Neither the council nor the special magistrate shall have the power to initiate such enforcement proceedings.

(b) Except as provided in subsections (c) and (d), if a violation of the code is found, the code enforcement officer shall notify the violator and allow a reasonable time for the violator to correct the violation. Should the violation not be corrected within the time allowed (including any extensions the code enforcement officer determines to be reasonable under the circumstances), the code enforcement officer shall notify the village staff that a special magistrate hearing is requested. The village staff shall, thereafter, notify the special magistrate of the referral and coordinate with the magistrate on the scheduling of the hearing. The village staff shall also ensure a written notice of such hearing is hand delivered or mailed as provided in Florida Statutes § 162.12 to the violator. Notice may additionally be served by publication or posting as provided in Florida Statutes § 162.12. If, within the time provided by the code enforcement officer for correction, the violation is corrected but then recurs, or if the violation is not corrected, the violation is still considered a violation and shall still be presented to the special magistrate even if, prior to the hearing, the violation is corrected, and the notice of hearing shall so state.

(c) If a repeat violation is found, the code enforcement officer shall notify the violator but is not required to give the violator a reasonable time to correct the violation. The code enforcement officer, upon notifying the violator of a repeat violation, may immediately notify the staff to schedule a special magistrate hearing. If the repeat violation has been corrected by the time of the hearing, the special magistrate shall schedule a hearing to determine costs and impose the payment of reasonable enforcement fees upon the repeat violator.

(d) If the code enforcement officer has reason to believe a violation or the condition causing the violation presents a serious threat to the public health, safety, and welfare or if the violation is irreparable or irreversible in nature, the code enforcement officer shall make a reasonable effort to notify the violator and may immediately notify the staff and request a special magistrate hearing.

(e) If the owner of property that is subject to an enforcement proceeding before the special magistrate or court transfers ownership of such property between the time the initial pleading was served and the time of the hearing, such owner shall:

(1) Disclose, in writing, the existence and the nature of the proceeding to the transferee.

(2) Deliver to the transferee a copy of the pleadings, notices, and other materials relating to the code enforcement proceeding.

(3) Provide written disclosure to the transferee that the transferee will be responsible for compliance with the applicable code and with orders issued in the code enforcement proceeding.

(4) File a notice with the code enforcement official of the transfer of the property, with the identity and address of the new owner and copies of the above-required disclosures made to the new owner, within five days after the date of the transfer.

If the property is transferred before the hearing, the proceeding shall not be dismissed, but the new owner shall, upon proper motion made, be afforded a reasonable continuance to allow the new owner to correct the violation, secure legal counsel, or for other good cause shown. If the new owner corrects the violation before the re-scheduled hearing, the code enforcement officer may, if he or she determines that the new owner has acted in good faith to promptly come into compliance, file a dismissal of the violation and request cancellation of the hearing.

Sec. 1-46. – Conduct at hearings; legal counsel.

(a) Upon request of the code enforcement officer, or at such other times as may be necessary, the special magistrate may call a hearing to hear any outstanding notices of violations or any related motions. The village staff shall ensure that adequate hearing space within village hall, or at such other location within the village as would be appropriate, is secured for the hearing. The village shall provide an employee or contractor to serve as the hearing clerk for the magistrate and shall keep and maintain a copy of all official records of the case including exhibits admitted into evidence. However, it shall be the responsibility of any party to such hearing to secure a certified court reporter should a record of the proceedings be desired.

(b) If the village prevails in prosecuting a case before the special magistrate, it shall be entitled to recover all costs incurred in prosecuting the case before the code enforcement board or magistrate and such costs may be included in the lien authorized by law.

(c) The special magistrate shall proceed to hear the cases on the agenda for that day. However, the special magistrate may, in its/his/her discretion, continue any case until the next agenda upon a showing of good cause at the time of or prior to the scheduled hearing. All testimony shall be under oath. The special magistrate shall take testimony from the code enforcement officer, the alleged violator and any other witnesses called by the parties and allowed to testify by the special magistrate. The parties shall have the opportunity to give testimony, present witnesses and to cross-examine adverse witnesses in person or through their attorney. The formal rules of evidence shall not apply, but fundamental due process shall be observed and shall govern the proceedings. The special magistrate may impose the rule of witness exclusion during the hearing if so requested by a party. While Florida Statutes § 286.011 is not applicable to a magistrate hearing, the magistrate shall generally allow citizens to attend and observe the hearing, and shall not exclude a person from the hearing room absent the person's engaging in threatening or disruptive behavior or for other good cause. Before removing a person from the hearing, the magistrate shall, safety permitting, hear from the parties and the person to be removed before ruling. Any such ruling shall be made on the record, and the magistrate shall state the reasons for the removal.

(d) At the conclusion of the hearing, the special magistrate shall issue a final order containing findings of fact and conclusions of law, and shall therein affording the proper relief consistent with the findings and conclusions, and within the limits provided for in Florida Statutes Chapter 162. A certified copy of any such order which imposes a daily fine or awards allowable costs to the village may be recorded by the code enforcement officer in the public records of the county and shall constitute notice to any subsequent purchasers, successors in interest, or assigns if the violation concerns real property, and the findings therein shall be binding upon the violator and, if the violation concerns real property, any subsequent purchasers, successors in interest, or assigns. If an order is recorded in the public records pursuant to this subsection and the order is complied with by the date specified in the order, the code enforcement board or special magistrate shall issue an order acknowledging compliance that shall be recorded in the public records.

Sec. 1-47. – Powers of special magistrate.

The special magistrate shall have the power to:

(a) Adopt rules for the conduct of his or her hearings which are not inconsistent with this article.

(b) Subpoena alleged violators and witnesses to his or her hearings. Subpoenas may be served by a sheriff's deputy or, if the violator or witness is not located in the sheriff's jurisdiction, then by any other individual authorized to serve process in the jurisdiction where the violator or witness is located.

(c) Issue subpoenas for evidence when so requested by a party.

(d) Take testimony under oath.

(e) Issue orders having the force of law commanding whatever steps are necessary to bring a violation into compliance.

(f) Impose daily fines in the manner and amounts set forth in this code, but not to exceed the maximum amounts established by state law.

Notwithstanding the foregoing authority, the magistrate shall not have any authority to grant or make a declaration regarding the underlying title to, or property rights of an alleged violator, including declaring whether a property owner has a vested or grandfathered right. Nor shall the magistrate have authority to grant or make a finding that a party's constitutional rights were or were not violated. Such determinations may only be made by a court of competent jurisdiction.

Sec. 1-48. – Administrative fines; costs of repair; liens.

(a) The special magistrate, upon notification by the code inspector that an order of the special magistrate requiring compliance by a date certain has not been complied with by that date, or upon a finding by the special magistrate that a repeat violation has occurred, may order the violator to pay a fine as specified herein for each day the violation continues past the date set by the special magistrate for compliance, or in the case of a repeat violation, for each day the repeat violation continues past the date set by the special magistrate for compliance or, in the case of a repeat violation, for each day the repeat violation continues, beginning with the date the repeat violation is found by the code enforcement officer to have occurred or is discovered to exist. In addition, if the violation is a violation described in § 1-45(d), the special magistrate shall notify the village council, which may make all reasonable repairs which are required to bring the property into compliance and charge the violator with the reasonable costs of the repairs along with the fine imposed pursuant to this section. Making such repairs does not create a continuing obligation on the part of the village to make further repairs or to maintain the property and does not create any liability against the village for any damages to the property if such repairs were completed in good faith. If a finding of violation or a repeat violation has been made, a hearing shall not be necessary for issuance of the order imposing the fine. If, after due notice and hearing, the special magistrate finds a violation to be irreparable or irreversible in nature, it may order the violator to pay a fine as specified in subsection (b).

(b) A fine imposed pursuant to this article shall not exceed $250.00 per day for a first violation and shall not exceed $500.00 per day for a repeat violation, and, in addition, may include all costs of repairs pursuant to subsection (a). However, if a special magistrate finds the violation to irreparable or irreversible in nature, the magistrate may impose a fine not to exceed $5,000.00 per violation.

(c) In determining the amount of fine, if any, the special magistrate shall consider the following factors:

(1) The gravity of the violation;

(2) Any actions taken by the violator to correct the violation; and

(3) Any previous violations committed by the violator.

(d) In any case in which the violator is found by the special magistrate to be in violation of the ordinances of the village, the special magistrate may impose additional fines to cover all costs incurred by the village in enforcing its codes against the violator, including the fee of the special magistrate, and all costs of repairs pursuant to subsection (a). In determining the amount of such fines, the special magistrate shall consider the criteria set forth in subsection (c).

(e) The special magistrate may reduce or eliminate a fine imposed by her or him pursuant to this section. The request to reduce or eliminate a fine shall be made within 60 days of correcting the violation for which the fine was assessed. If the violator fails to appear before the special magistrate because the violator did not receive actual notice of the hearing on the underlying violation, and so long as said lack of actual notice was not the result of the violator's own act or omission, the special magistrate may consider a request to reduce or eliminate a fine notwithstanding that the request is untimely made. Nothing herein shall be construed to grant the magistrate the right to reduce or eliminate a recorded code lien. Lien reductions or releases shall be approved by the council pursuant to subsection (g) below.

(f) Unless any request to reduce or eliminate a fine meets the conditions of subsection (e), any reduction or elimination in any fine previously imposed can only be considered by the village council.

(g) A certified copy of an order imposing a fine, or a fine plus repair costs, may be recorded in the public records of the county, and thereafter shall constitute a lien against the land on which the violation exists and upon any other real or personal property owned by the violator. Upon petition to the circuit court, such order shall be enforceable in the same manner as a court judgment by the sheriffs of the state, including execution of a levy against the personal property of the violator, but such order shall not be deemed to be a court judgment except for enforcement purposes. A fine imposed pursuant to this section shall continue to accrue until the violator comes into compliance or until judgment is rendered in a suit to foreclose on a lien filed pursuant to this section, whichever first occurs. A lien arising from a fine imposed pursuant to this section runs in favor of the village, and the council may execute a satisfaction or release of lien entered pursuant to this section. Upon filing and recording of such a lien, it shall remain a lien against each such property until paid.

(h) After three months from the filing of any such lien which remains unpaid, the village council may authorize the village attorney to foreclose on the lien or to sue to recover a money judgment for the amount of the lien plus accrued interest. No lien created pursuant to the provisions of this section may be foreclosed on real property which is homestead under Section 4, Article X of the Florida Constitution. The money judgment provisions of this section shall not apply to real property or personal property which is covered by Section 4(a), Article X of the Florida Constitution. The village attorney or her/his designee is authorized to obtain a public records search for the purpose of determining whether to

institute a lien foreclosure proceeding without the necessity of any action by the council whenever the unpaid amount of a lien assessed by the special magistrate exceeds $100.00. No public records search for the purpose of determining whether to institute a lien foreclosure proceeding shall be obtained where the unpaid amount of the lien is less than $100.00.

(i) Pursuant to Florida Statutes § 695.01(3), a lien by the village that attaches to real property for a code enforcement fine or penalty is valid and effectual in law or equity against creditors or subsequent purchasers for a valuable consideration only if:

(1) the lien is recorded in the official records of the county in which the property is located, and

(2) the recorded notice of lien contains:

a. the name of the owner of record,

b. a description or address of the property, and

c. the tax or parcel identification number applicable to the property as of the date of recording.

Sec. 1-49. – Duration of lien.

No lien provided under this article and applicable state law shall continue for a period longer than 20 years after the certified copy of an order imposing a fine has been recorded, unless within that time an action is commenced pursuant to subsection 1-77(g) in a court of competent jurisdiction. In an action to foreclose on a lien or for a money judgment, the village is entitled to recover all costs, including a reasonable attorney's fee, that it incurs in the action. The village shall be entitled to collect all costs incurred in recording and satisfying a valid lien. The continuation of the lien effected by the commencement of the action shall not be good against creditors or subsequent purchasers for valuable consideration without notice, unless a notice of lis pendens is recorded.

Sec. 1-50. – Ex Parte communications prohibited.

(a) No person who is or may become a party or a witness to a hearing before the special magistrate shall communicate with the special magistrate concerning that violation except at the hearings provided for in this article. This restriction shall extend to any person appearing or interceding on behalf of a party, whether or not such person may have a direct, personal or financial interest in the property which is the subject of the alleged violation.

(b) The special magistrate shall not communicate with any party, witness, representative of a party, or interceding person concerning any alleged violation except at the hearings provided for in this article.

(c) Failure on the part of the special magistrate to comply with the provisions of this subsection shall constitute grounds for removal of the special magistrate.

Sec. 1-51. – Appeals.

An aggrieved party, including the village council, may appeal a final administrative order of the special magistrate to the circuit court. Such an appeal shall not be a hearing de novo but shall be limited to appellate review of the record created before the special magistrate. An appeal shall be filed within 30 days of the execution of the order to be appealed.

Sec. 1-52. – Notices.

(a) All notices required pursuant to this article shall be provided to the alleged violator by certified mail to the address listed in the tax collector's office for tax notices or to the address listed in the county property appraiser's database. The village may also provide an additional notice to any other address it may find for the property owner and, if the owner informs the village in writing that notices should be sent to an alternative address, subsequent notices shall also be sent to that address. For property owned by a corporation, notices may be provided by certified mail to the registered agent of the corporation. Notice may also be by hand delivery by a law enforcement officer or code inspector; or by leaving the notice at the alleged violator's usual place of residence with any person residing there who is above 15 years of age and informing such person of the contents of the notice. In the case of a commercial premises, notice may be by leaving the notice with the manager or other person in charge of the commercial establishment.

(b) In addition to providing notices as set forth in subsection (a) above, at the option of the special magistrate, notice may also be served by publication as follows:

(1) Such notice shall be published once during each week for four consecutive weeks (four publications being sufficient) in a newspaper of general circulation in the county where the special magistrate is located. The newspaper shall meet such requirements as are prescribed under Florida Statutes Chapter 50 for legal and official advertisements.

(2) Proof of publication shall be made as provided in Florida Statutes § 50.041 and § 50.051.

(c) Notice of publication may run concurrently with or may follow an attempt or attempts to provide notice by hand delivery or by mail. Evidence that an attempt has been made to hand deliver or mail notice in compliance with this section, together with proof of publication as required herein, shall be sufficient to show that notice requirements of this article have been met without regard to whether or not the alleged violator actually received such notice.

DIVISION 2. - SUPPLEMENTAL ENFORCEMENT PROCEDURES IN COUNTY COURT

Sec. 1-60. – Citation system procedure; issuance; filing; notice.

(a) The provisions of this section are additional and supplemental means of enforcing the village's codes or ordinances and may be used for the enforcement of any code or ordinance, or for the enforcement of all codes and ordinances. Nothing contained in this section shall prohibit the village from enforcing its codes or ordinances by any other means.

(b) A violation of this code is a civil infraction. A code enforcement officer, including any sheriff's deputy, is authorized to issue a citation to a person when, based upon personal investigation, the officer has reasonable cause to believe that the person has committed a civil infraction in violation of a duly enacted code and that the county court will hear the charge. The citation will be filed and heard in the county court.

(c) Prior to issuing a citation, a code enforcement officer shall provide notice to the person that the person has committed a violation of a code or ordinance and shall establish a reasonable time period within which the person must correct the violation. Such time period shall be no more than 30 days. If, upon personal investigation, a code enforcement officer finds that the person has not corrected the violation within the time period, a code enforcement officer may issue a citation to the person who has committed the violation. A code enforcement officer does not have to provide the person with a reasonable time period to correct the violation prior to issuing a citation and may immediately issue a citation if a repeat violation is found or if the code enforcement officer has reason to believe that the violation presents a serious threat to the public health, safety, or welfare, or if the violation is irreparable or irreversible.

Sec. 1-61. – Form and content of citation.

Pursuant to Florida Statutes § 162.21(3)(c), a citation issued by a code enforcement officer pursuant to this article shall be in a form prescribed by the village and shall contain:

(a) The date and time of issuance.

(b) The name and address of the person to whom the citation is issued.

(c) The date and time the civil infraction was committed.

(d) The facts constituting reasonable cause.

(e) The number or section of the code or ordinance violated.

(f) The name and authority of the code enforcement officer.

(g) The procedure for the person to follow in order to pay the civil penalty or to contest the citation.

(h) The applicable civil penalty if the person elects to contest the citation.

(i) The applicable civil penalty if the person elects not to contest the citation.

(j) A conspicuous statement that if the person fails to pay the civil penalty within the time allowed, or fails to appear in court to contest the citation, the person shall be deemed to have waived his or her right to contest the citation and that, in such case, judgment may be entered against the person for an amount up to the maximum civil penalty.

Sec. 1-62. – Deposit of citation with county court; refusal to sign and accept.

(a) After issuing a citation to an alleged violator, a code enforcement officer shall deposit the original citation and one copy of the citation with the county court.

(b) Pursuant to Florida Statutes § 162.21(6), any person who willfully refuses to sign and accept a citation issued by a code enforcement officer shall be guilty of a misdemeanor of the second degree, punishable as provided in Florida Statutes § 775.082 or F.S. § 775.083.

Sec. 1-63. – Application of article's provisions.

The provisions of this part shall not apply to the enforcement pursuant to Florida Statutes §§ 553.79 and 553.80 (the state building code adopted pursuant to Florida Statutes § 553.73) as applied to construction, provided that a building permit is either not required or has been issued by the village. For the purposes of this subsection, the term "building codes" means only those codes adopted pursuant to Florida Statutes § 553.73.

Sec. 1-64. – Penalty for violation.

(a) Findings of violations will subject the violator to a maximum fine of $500.00. The fine for a violator who elects not to contest a violation citation shall be $250.00.

(b) Any person charged with a violation of village code in county court may appear and contest the citation, and if found to be in violation, may appeal such finding as provided in the Florida Rules of Civil Procedure.

Sec. 1-65. – Notice to appear.

(a) Notwithstanding Florida Statutes § 34.07, a code enforcement officer, designated pursuant to this article, may issue a notice to appear at any hearing conducted by a county court if the officer, based upon personal investigation, has reasonable cause to believe that the person has violated village code. A notice to appear means a written order issued by a code enforcement officer in lieu of physical arrest requiring a person accused of violating the law to appear in a designated court or governmental office at a specified date and time. If a person issued a notice to appear under this section refuses to sign such notice, the code enforcement officer has no authority to arrest such person.

(b) Prior to issuing a notice to appear, a code enforcement officer shall provide written notice to the person that the person has committed a violation of village code and shall establish a reasonable time period within which the person must correct the violation. Such time period shall be no fewer than five days and no more than 30 days. If, upon personal investigation, a code enforcement officer finds that the person has not corrected the violation within the prescribed time period, a code enforcement officer may issue a notice to appear to the person who has committed the violation. A code enforcement officer is not required to provide the person with a reasonable time period to correct the violation prior to issuing a notice to appear and may immediately issue a notice to appear if a repeat violation is found, or if the code enforcement officer has reason to believe that the violation presents a serious threat to the public health, safety, or welfare or that the violator is engaged in violations of an itinerant or transient nature, as defined by local code or ordinance within the jurisdiction, or if the violation is irreparable or irreversible.

DIVISION 3. – ENFORCEMENT BY CIVIL ACTION

Sec. 1-70. – Civil actions to enforce village codes.

In addition to other provisions of law or this code authorizing the enforcement of the village's codes, the village may enforce any violation of its code by filing a civil action, including actions alleging nuisance, in the same manner as instituting a civil action. The action shall be brought in county or circuit court, whichever is appropriate depending upon the relief sought.

Section 2. For purposes of codification of any existing section of the Estero Village Code herein amended, words **underlined** represent additions to original text, words ~~**stricken**~~ are deletions from the original text, and words neither underlined nor stricken remain unchanged.

Section 3. If any section, subsection, sentence, clause, provision or word of this Ordinance is held unconstitutional or otherwise legally invalid, same shall be severable and the remainder of this Ordinance shall not be affected by such invalidity, such that any remainder of the Ordinance shall withstand any severed provision, as the Village Council would have adopted the Ordinance and its regulatory scheme even absent the invalid part.

Section 4. The Codifier shall codify the substantive amendments to the Estero Village Code contained in Section 1 of this Ordinance as provided for therein, and shall not codify the exordial clauses nor any other sections not designated for codification.

Section 5. Pursuant to Florida Statutes § 166.041(4)(a), prior to the date the public notice of the public hearing for this Ordinance was published, the Village prepared and posted on its website a business impact estimate which included: a) a summary of the Ordinance, a statement of the public purpose to be served by the Ordinance, b) an estimate of the direct economic impact of the Ordinance on private, for-profit businesses in the Village, c) an estimate of direct compliance costs that businesses may reasonably incur due to the Ordinance, d) identification of any new charge or fee on businesses created by the Ordinance or for which businesses will be financially responsible, e) an estimate of the Village's regulatory costs and of revenues from any new charges or fees imposed on businesses to cover such costs, and f) a good faith estimate of the number of businesses likely to be impacted by the Ordinance.

Section 6. Pursuant to Florida Statutes § 166.041(4), this Ordinance shall take effect immediately upon adoption.

ADOPTED ON FIRST READING by the Village Council of the Village of Estero, Florida on the 21 day of February, 2024.

ADOPTED ON SECOND AND FINAL READING by the Village Council of the Village of Estero, Florida on the 6 day of March, 2024.

VILLAGE OF ESTERO, FLORIDA

Attest:

By: _____
Jon McLain, Mayor

By: _____
Carol Sacco, Village Clerk

WORKSHOP ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
March 6, 2024

Agenda Item:

Public Resources Advisory Group (PRAG) Rating Strategy and Financial Policy Considerations

Description:

The Village has engaged PRAG to serve as the Village's independent registered municipal advisor to assist the Village in developing and implementing a financing plan for the Village's immediate and future capital projects. These projects will be funded through a variety of sources. In conjunction with Village staff, PRAG is still in the process of developing the financing plan.

Given the size of the Village's capital improvement plan, municipal bonds may provide a viable funding source. This will allow the Village to maintain strong cash reserves necessary for emergencies and other unforeseen events. In today's municipal debt market, bonds for large financings are generally more cost-efficient than bank loans.

When issuing municipal bonds, a credit rating can help reduce borrowing costs. Most municipal bonds are issued with investment grade ratings provided by a rating agency. There are two rating agencies under consideration for the Village, S&P and Moody's. Ratings are based on the security pledged for payment of debt service on the bond. A higher rating indicates a greater creditworthiness of a bond and lower likelihood of payment default. The rating strategy and process is crucial to the bond issue process because better ratings translate to a lower cost of financing.

Please reference slide 16 for a timeline of the Village's financing plan.

Financial Impact:

Approximately $20,000 to $25,000 for the base analysis and $5,000 for each alternative.

Prepared by:

Kevin Greenville, CPA

Rating Strategy and Financial Policy Considerations

Village of ESTERO

PRAG

March 6, 2024

Public Resources Advisory Group

PRAG

National Firm, Local Knowledge

- Established in 1985; headquarters in New York City
- Municipal Advisor registered with the MSRB and SEC
- Florida office located in St. Petersburg; offices in NY, PA and CA
- Local knowledge with national experience

Focused on General Government Advisory

- #1 Ranked General Purpose Municipal Advisor *(Refinitiv - 2023)*
- Full range of independent financial advisory services
- Fiduciary duty to the Village; not a broker-dealer

Recent History with the Village of Estero

- PRAG advised the Village on its $20 million Taxable Revenue Note, Series 2019.
- Recently engaged to assist the Village in developing and implementing a financing plan for the Village's Capital Improvement Program.
- PRAG has analyzed the Village's financial position, advised the Village in developing a reimbursement resolution, and is in the process of developing the final plan of finance.

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Potential CIP Funding Sources

- The Capital Improvement Program (CIP) may be funded with various sources:
  - Cash
  - Grants
  - Other State or Federal Sources (e.g. American Rescue Plan Act funds)
  - Assessments
  - Debt Proceeds (Bonds, Bank Loans)
- Given the size of the CIP, municipal bonds may provide a viable funding source to fund a portion of the CIP and still allow the Village to maintain strong cash reserves necessary for emergencies and other unforeseen events.
- Bonds for large financings are generally more cost-efficient than bank loans in today's municipal debt market. They can also go longer (up to 30 years).
- Municipal bonds allow projects to be financed over a period of time that matches the useful life of the assets being constructed or acquired; this serves to lower annual costs.
- When issuing municipal bonds, **a credit rating can help reduce borrowing costs.**

General Ratings Overview

- The majority of municipal bonds are issued with investment grade ratings provided by a rating agency.
- Ratings are based on the security pledged for payment of debt service on the bond.
- A higher rating indicates a greater credit-worthiness of a bond and lower likelihood of a payment default.
- Because **better ratings translate to a lower cost of financing** for the issuer, the rating strategy and process is critical to the bond issuance process.

S&P	Moody's	Fitch	Rating Description
AAA	Aaa	AAA	Prime
AA+	Aa1	AA+	High Grade
AA	Aa2	AA	
AA-	Aa3	AA-	
A+	A1	A+	Upper Medium Grade
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	Lower Grade
BBB+	Baa2	BBB+	
BBB-	Baa3	BBB-	
BB+	Ba1	BB+	Non Investment Grade Speculative
BB	Ba2	BB	
BB-	Ba3	BB-	
B+	B1	B+	Highly Speculative
B	B2	B	
B-	B3	B-	
CCC+	Caa1	CCC+	Substantial Risks
CCC	Caa2	CCC	Extremely Speculative

Highest Rated Florida Municipalities

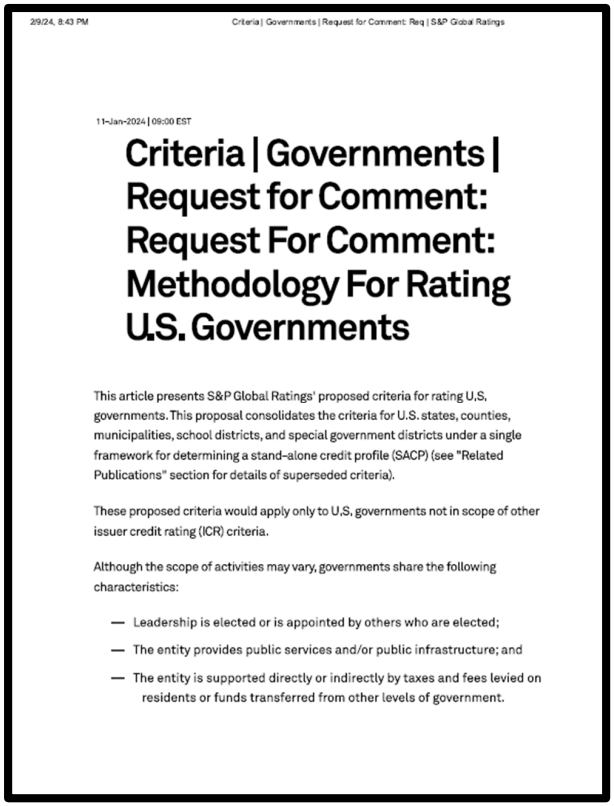
- PRAG has identified 10 cities, towns or villages in Florida that have obtained the highest possible rating (AAA) from at least one major rating agency.
- Notably two municipalities, the City of Coral Gables and the Town of Palm Beach have triple-A ratings from two agencies and one, the City of Boca Raton, has a triple-A from three agencies.
- The newest rating agency, KBRA (formerly Kroll) does not maintain a triple-A rating on any municipality in Florida but also rates significantly fewer municipalities in the State.

S&P	Moody's	Fitch	KBRA
Boca Raton, City of	Boca Raton, City of	Boca Raton, City of	None
Coral Gables, City of	Coral Gables, City of		
Coral Springs, City of	Palm Beach, Town of		
Davie, Town of	Wellington, Village of		
Fort Lauderdale, City of			
Palm Beach, Town of			
Palmetto Bay, Village of			
Pinecrest, Village of			
Tampa, City of			

General Obligation or Issuer Credit Rating based on EMMA search as of February 2, 2024
Does not include utility ratings

Methodology

- Given the significant difference in the number of AAA ratings provided by S&P compared to the other agencies, PRAG believes it is appropriate for the Village to prioritize S&P's criteria when evaluating the Village's potential rating.
- S&P is in the process of revising its City and State Methodology (comment period ends March 11th).
- We expect S&P's new criteria will be in effect in mid-2024.
- PRAG has analyzed the potential rating outcome under both the current and proposed methodology.



2/9/24, 8:43 PM Criteria | Governments | Request for Comment: Req | S&P Global Ratings

11-Jan-2024 | 09:00 EST

Criteria | Governments | Request for Comment: Request For Comment: Methodology For Rating U.S. Governments

This article presents S&P Global Ratings' proposed criteria for rating U.S. governments. This proposal consolidates the criteria for U.S. states, counties, municipalities, school districts, and special government districts under a single framework for determining a stand-alone credit profile (SACP) (see "Related Publications" section for details of superseded criteria).

These proposed criteria would apply only to U.S. governments not in scope of other issuer credit rating (ICR) criteria.

Although the scope of activities may vary, governments share the following characteristics:

- Leadership is elected or is appointed by others who are elected;
- The entity provides public services and/or public infrastructure; and
- The entity is supported directly or indirectly by taxes and fees levied on residents or funds transferred from other levels of government.

Dated: January 11, 2024

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S&P Proposed Framework

- S&P will score its Institutional Framework + Individual Credit Profile both on a 1 to 6 scale
- Combined, the "Anchor" score is determined; the strongest "Anchor" is 1.1 (aaa)
- Modifiers may improve or worsen the "Anchor" by one rating level (*none are expected*)
- S&P's holistic analysis is then applied to determine the **Issuer Credit Rating**
  - Forward-looking view on issuer's credit; strengths/weakness not in criteria
  - Peer ratings analysis

--Institutional framework assessment--	--Individual credit profile--										
	1	1.5	2	2.5	3	3.5	4	4.5	5	5.5	6
1	aaa	aaa	aa+	aa	aa-	a+	a	a-	bbb	bb+	bb-
2	aaa	aa+	aa	aa-	a+	a	a-	bbb+	bbb-	bb	b+
3	aa+	aa	aa-	a+	a	a-	bbb	bbb-	bb+	bb-	b
4	aa-	a+	a	a-	bbb+	bbb	bb+	bb	bb-	b	b-
5	a	a-	bbb+	bbb	bbb-	bb+	bb-	b+	b	b-	b-
6	bbb+	bbb	bbb-	bb+	bb	bb-	b+	b	b-	b-	b-

S&P Request for Comment: Methodology for Rating U.S. Governments January 11, 2024

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S&P Proposed Framework (continued)

- **S&P's Proposed Individual Credit Profile (ICP)** scorecard is below
- Each ICP factor will be scored on scales from 1 to 4-6 and each are weighted 20%

	Economy 20%	Financial Performance 20%	Reserves and Liquidity 20%	Management 20%	Debt and Liabilities 20%
Step 1: Establish initial assessment	GCP% of U.S. (50%) County PCPI% of U.S. (50%)	Three-year average operating result (%)	Available reserves (%) of revenues	Budgeting practices (35%) Long-term planning (35%) Policies (30%)	Current cost for debt service and liabilities (50%) Net direct debt per capita (25%) Net pension liabilities per capita (25%)
Step 2: Apply qualitative adjustments	Local Economic Profile Economic volatility and concentration Economic growth prospects	Under or overstated operating results Performance volatility Projections suggest different assessment	Under or overstated reserves Projects suggest different assessment Liquidity and contingent liability risks	Transparency and reporting Governance structure Risk management, credit culture, and oversight	Under or overstated current costs Under or overstated long-term liabilities Projections suggest different assessment

GCP = Gross County Product
PCPI = Per capita personal income

S&P Request for Comment: Methodology for Rating U.S. Governments January 11, 2024

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Rating Factors

- **The Village has little to no *short-term ability* to influence certain rating factors** such as Institutional Framework, the Economy and Financial Performance (which uses a three-year average of operating results).
- **Institutional Framework** - stands apart from the ICP scorecard; mostly **qualitative** scoring. State constitutions and laws broadly dictate the terms under which U.S. governments operate; therefore, S&P assesses the Institutional Framework by state & government type.
- The Institutional Framework subfactors are:
  - **Predictability (25%)** – ability of government to forecast its revenues and expenditures
  - **Revenue/expenditure balance and system support (50%)** – the ability of a government to finance services it provides, and degree of ongoing and exceptional support from a higher-level government
  - **Transparency and accountability (25%)** – comparability of a government's relevant financial information

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S&P Proposed Economy Assessment

- Initial assessment is driven by County-level per capita gross domestic product (50%) and Per Capita Personal Income (50%) subfactors.

Economy: Initial Assessment	Sub-	Local Government Assessment					
Metric	Weight	1	2	3	4	5	6
GCP per capita as a % of U.S. GDP per capita	50%	>110	110-95	95-85	85-75	75-65	<65
County PCPI as a % of U.S. PCPI	50%	>100	100-90	90-80	80-75	75-70	<70
Economy (20%)							
Gross County Product per Capita		$54,263					
U.S. GDP per Capita		$65,799					
Percentage		82.5%					
County Per Capita Personal Income		$63,568					
U.S. Per Capita Personal Income		$65,476					
Percentage		97.1%					

- **Two-point adjustment** *expected* due to the Village's strong effective buying income (i.e. Median Household Income) vs. the U.S. & County
  - 134% as a percentage of the U.S. MHI
  - 145% as a percentage of the County MHI
- Initial Economy Assessment **estimated** "3" could be improved by "2" = "1"

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Sources: Bureau of Economic Analysis; U.S. Census

S&P Proposed Financial Performance Assess.

- Initial assessment is based on the average annual operating result of the three most recent years.

Financial Performance: Initial Assessment	Sub-	Local Government Assessment			
Metric	Weight	1	2	3	4
Operating Result (%)	100%	>3	3-0	0-(3)	<(3)
Financial Performance (20%)					
General Fund		FY23 (Unaudited)	FY22 (Audited)	FY21 (Audited)	
Revenues		$ 21,406,380	$ 20,435,217	$ 13,982,874	
Expenditures		13,217,926	4,992,536	5,021,921	
Excess/(Deficit)		$ 8,188,454	$ 15,442,681	$ 8,960,953	
Less: Transfers Out		(3,620,030)	(19,778,472)	(4,925,024)	
Net Operating Result		$ 4,568,424	$ (4,335,791)	$ 4,035,929	
Net Operating Result as % of Revenues		21.3%	-21.2%	28.9%	
Three-Year Average Operating Result (%)		**9.7%**			

- The Village has little control over certain aspects of its financial performance and given the three-year lookback, little control over this scoring factor in the proposed Individual Credit Profile
- The Village has experienced notably strong financial performance in recent years (note: large transfer out in 2022 due to debt payoff)

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Controllable Rating Factors

- There are certain rating factors that the Village ***can*** **make a more immediate impact** on as illustrated below:

Rating Factor	Method of Influence
Management	**Policies; Procedures**
Reserves and Liquidity	**Reserve Policies; Fund Balance Levels**
Debt and Liabilities	**Debt Policies; Debt Levels**

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S&P Proposed Management Assessment

- **Budgeting Practices (35%)**:
  - Budgets are **forward-looking** with **robust monitoring**
  - Budgets utilize comprehensive planning tools that are **forward-looking** and **realistic**
  - Budget performance is shared with stakeholders and adjustments are made regularly to address for changes throughout the year
- **Long-Term Planning (35%)**:
  - Robust culture of long-term planning; multiyear financial and capital plans are based on realistic assumptions that support long-term structural balance
  - Plans are regularly updated and demonstrate clear project funding
- **Policies (30%):**
  - Robust, well-defined policies with thorough reporting
  - **Investment, Debt Management, and Reserve and Liquidity policies** exist and are well-defined
  - Strong reporting and monitoring mechanisms exist and are functioning
- The final assessment considers adjustments for transparency/reporting, governance structure (e.g. "political gridlock"), and risk management, credit culture, and oversight

Note: Statements above do not necessarily reflect the Village's management characteristics; rather they are shown to illustrate what S&P considers the strongest characteristics ("1") in their proposed Management Assessment criteria

S&P Proposed Reserves & Liquidity Assessment

- Initial assessment based on the Available Reserves as a Percentage of Revenues
- Establishment of a **strong Fund Balance policy** with minimum levels and internal controls positively impacts an issuer's ability to maintain very strong unrestricted reserves
- Estimates below are based on unaudited FY23 financials and reserve positions are **subject to change** as cash is utilized to fund capital improvement projects

Reserves and Liquidity: Initial Assessment	Sub-	Local Government Assessment				
Metric	Weight	1	2	3	4	5
Available Reserves as % of Revenues	100%	>15%	15%-8%	8%-4%	4%-1%	<1%
Reserves and Liquidity (20%)						
		FY23 (Unaudited)				
Available Reserves		$ 52,441,017				
Total Governmental Revenues		$ 32,029,586				
Reserves as % of Revenues		163.7%				

- Moody's requires a higher Fund Balance ratio to reach prime-grade sub-scores in their indicative rating scoring – this subcategory accounts for 20% weight of their indicative score
  - Moody's – Aaa: +35%; Aa: 25-35%; A: 15-25%
- S&P identifies three areas for adjustment to the Reserves and Liquidity initial assessment:
  - Are reserves over or understated and would they align with a different assessment?
  - Would prospective changes to reserves result in a better or worse assessment?
  - Would liquidity pressures worsen the initial assessment?

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S&P Proposed Debt & Liabilities Assessment

- Initial assessment based on the subfactors listed below.
- **A strong Debt Management Policy** will memorialize best practices and positively impact the Village's ability to maintain manageable debt levels.
- The Village currently has no bonds or loans outstanding.
- The Village's Pension and OPEB costs are currently minimal.
- **Current Cost for Debt Service and Liabilities (50%)**
  - Annual Debt Service, Pension and Other Post-Employment Benefits expenditures divided by Total Governmental Revenue
- **Net Direct Debt per Capita (25%)**
  - Gross direct debt less self-supporting debt divided by population
- **Net Pension Liability per Capita (25%)**
  - NPL is calculated by subtracting the fund's plan fiduciary net position from the total pension liability as reported in the local government's financial statements (GASB)

FUTURE DEBT PLANS WILL DRIVE THESE CALCULATIONS

Debt and Liabilities: Initial Assessment	Sub-	Local Government Assessment					
Metric	Weight	1	2	3	4	5	6
Current Cost for Debt Service & Liab. % of Revenues	50%	<8	8-14	14-20	20-25	25-30	>30
Net Direct Debt per Capita	25%	<500	500-1500	1500-2500	2500-3500	3500-4500	>4500
Net Pension Liabilities per Capita	25%	<500	500-1500	1500-2500	2500-3500	3500-4500	>4500

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Confidential Indicative Rating Process

S&P offers a Rating Evaluation Service that allows an issuer to present multiple alternatives and receive a confidential rating for each alternative.

Benefits

- Acts as a strategic management tool the Village can use to make informed decisions surrounding the funding of capital projects.
- Allows the Village to present structures with differing amounts of debt and reserves to determine the expected rating for each structure.
- Fairly inexpensive way to get **precise guidance** from the rating agency **to maximize the Village's rating and safeguard the Village from over-borrowing.**

Costs

- Approx. $20,000 to $25,000 for the base analysis and approx. $5,000 for each alternative.
- If the Village issues debt rated by S&P within six months of the evaluation, S&P will credit a portion of the evaluation fee to the full rating fee (approx. between $10,000 to $15,000 credit).

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Major Tasks Tentative Timeline

Rating Evaluation Service
(Approx. 3-4 weeks)

- Submission of initial package including historical financial statements, recent operating/capital budget, and financial policies
- Engagement letter executed by Village staff
- Rating agency analyst review of Village's credit
- Receipt of rating agency analyst questions
- Presentation to rating agency analysts and response to questions and/or other requests
- Rating Evaluation Committee
- Receipt of confidential indicative rating(s)

January	**Village Council Adoption of Reimbursement Resolution**
February	Develop Financial Policies
March	**Village Council Approval of Financial Policies (2 readings)** Determine Rating Evaluation Service Alternatives
April	Draft FY2023 Audit Available Develop Rating Presentation S&P Rating Evaluation Service Application Rating Presentation
May	**Receive Rating Evaluation Service Results** Determine CIP Funding Plan Begin Debt Issuance Process (if applicable)
June	FY2023 Audit Finalized Debt Documentation
July-Aug.	City Council Approval Post Offering Documents Debt Sale Closing / Funding

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