

# TOWN OF SEWALL'S POINT



**PAMELA MAC'KIE WALKER**  
Town Manager

**TO: Town of Sewall's Point Commission**  
**FROM: Pamela Mac'Kie Walker, Town Manager**  
**SUBJECT: Agenda Item 1**  
**Financial Reports**  
**Town Commission Meeting, May 24, 2016**

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Staff recommends acceptance of the attached financial reports.

**Town of Sewall's Point**  
**Financial Report**  
Revenues and Expenses Budget-to-Actual

	<b>Actual Apr 2016</b>	<b>Monthly Budget Apr 2016</b>	<b>Actual to Monthly Budget %</b>	<b>Actual Oct- Apr 2016</b>	<b>YTD Budget Oct - Apr 2016</b>	<b>Actual to YTD Budget %</b>	<b>Annual Budget FY 2016</b>	<b>Actual to Annual Budget %</b>
	<i>unaudited</i>	<i>unaudited</i>		<i>unaudited</i>	<i>unaudited</i>		<i>unaudited</i>	
<b>Revenues</b>								
Intergovernmental								
334.100 · Police Dept Grant Funds	-	-	n/a	1,168	-	n/a	-	n/a
332.000 · Grant Mgmt. Fees FEMA 3%	-	-	n/a	42,781	20,000	213.9%	20,000	213.9%
312.400 · Gas Tax	5,000	5,250	95.2%	37,994	36,750	103.4%	63,000	60.3%
315.000 · Communications Services Taxes	5,000	5,250	95.2%	37,168	36,750	101.1%	63,000	59.0%
335.120 · State Revenue Sharing	5,000	5,250	95.2%	35,858	36,750	97.6%	63,000	56.9%
335.150 · Alcoholic Beverage Tax	1,370	167	822.2%	1,370	1,167	117.5%	2,000	68.5%
335.180 · Sales Tax	15,000	17,667	84.9%	122,588	123,667	99.1%	212,000	57.8%
<b>Total Intergovernmental</b>	<b>31,370</b>	<b>33,583</b>	<b>93.4%</b>	<b>278,927</b>	<b>255,083</b>	<b>109.3%</b>	<b>423,000</b>	<b>65.9%</b>
Local Taxes, Fees, Fines								
311.100 · Ad Valorem Taxes	89,604	78,000	114.9%	1,602,549	1,556,200	103.0%	1,633,000	98.1%
316.000 · Local Business Tax	194	333	58.2%	1,959	2,333	83.9%	4,000	49.0%
322.000 · Building Permit Fees	19,193	24,500	78.3%	117,439	137,500	85.4%	245,000	47.9%
323.100 · Electric Francise	14,000	10,750	130.2%	110,102	75,250	146.3%	129,000	85.4%
325.200 · Road Impact Assessments	2,975	1,500	198.3%	20,913	22,500	92.9%	34,000	61.5%
351.300 · Civil Fines	-	500	0.0%	5,300	3,500	151.4%	6,000	88.3%
351.500 · Traffic Fines	1,854	1,417	130.9%	9,750	9,917	98.3%	17,000	57.4%
351.501 · Police Education	181	167	108.4%	686	1,167	58.8%	2,000	34.3%
361.100 · Interest	1,183	417	283.8%	5,910	2,917	202.6%	5,000	118.2%
366.900 · Miscellaneous Revenue	1,000	583	171.4%	1,013	4,083	24.8%	7,000	14.5%
367.000 · Town Licenses & Fees	1,188	417	285.0%	4,538	2,917	155.6%	5,000	90.8%
<b>Total Local Taxes, Fees, Fines</b>	<b>131,371</b>	<b>118,583</b>	<b>110.8%</b>	<b>1,880,159</b>	<b>1,818,283</b>	<b>103.4%</b>	<b>2,087,000</b>	<b>90.1%</b>
<b>Total Revenues</b>	<b>162,742</b>	<b>152,167</b>	<b>106.9%</b>	<b>2,159,086</b>	<b>2,073,367</b>	<b>104.1%</b>	<b>2,510,000</b>	<b>86.0%</b>
<b>Expenses</b>								
Human Resources								
Public Safety	60,364	68,987	87.5%	444,838	482,910	92.1%	827,845	53.7%
Town Manager	9,312	10,100	92.2%	69,013	70,700	97.6%	121,200	56.9%
Town Assistant	3,641	3,788	96.1%	26,148	26,663	98.1%	45,600	57.3%
Town Clerk	4,837	5,269	91.8%	35,748	37,031	96.5%	63,375	56.4%
Building Dept.	9,013	9,962	90.5%	67,399	69,736	96.6%	113,835	59.2%
Maintenance Dept.	3,103	3,379	91.8%	23,200	23,804	97.5%	40,700	57.0%
519.230 · Insurance Benefits	12,926	14,986	86.3%	91,008	104,904	86.8%	179,836	50.6%
519.24 · Worker's Comp - Other	4,397	6,250	70.4%	11,962	18,750	63.8%	25,000	47.8%
<b>Total Human Resources</b>	<b>107,594</b>	<b>122,721</b>	<b>87.7%</b>	<b>769,317</b>	<b>834,498</b>	<b>92.2%</b>	<b>1,417,391</b>	<b>54.3%</b>

**Town of Sewall's Point**  
**Financial Report**  
Revenues and Expenses Budget-to-Actual

	<b>Actual Apr 2016</b>	<b>Monthly Budget Apr 2016</b>	<b>Actual to Monthly Budget %</b>	<b>Actual Oct- Apr 2016</b>	<b>YTD Budget Oct - Apr 2016</b>	<b>Actual to YTD Budget %</b>	<b>Annual Budget FY 2016</b>	<b>Actual to Annual Budget %</b>
	<i>unaudited</i>	<i>unaudited</i>		<i>unaudited</i>	<i>unaudited</i>		<i>unaudited</i>	
<b>Operating Expenses</b>								
519.40 · Travel	-	250	0.0%	1,229	1,750	70.2%	3,000	41.0%
519.41 · Communication Network	2,343	2,567	91.3%	21,820	21,767	100.2%	34,600	63.1%
519.43a - Electricity	2,388	2,417	98.8%	15,027	16,917	88.8%	29,000	51.8%
519.43b - Water	2,875	2,000	143.7%	14,126	14,000	100.9%	24,000	58.9%
519.45 · General and Liability Insurance	10,957	11,000	99.6%	32,871	33,000	99.6%	44,000	74.7%
519.48 · Town Events	488	833	58.5%	6,499	5,833	111.4%	10,000	65.0%
511.49 - Contingency	-	83	0.0%	-	583	0.0%	1,000	0.0%
519.49D - Disaster Aid	-	83	0.0%	-	583	0.0%	1,000	0.0%
519.49F - Bank Fees	27	250	10.7%	513	1,750	29.3%	3,000	17.1%
519.51 · Office Supplies & Services	1,770	2,583	68.5%	11,800	18,083	65.3%	31,000	38.1%
519.52 · Fuel, Oil, Operating Supplies	1,300	2,417	53.8%	9,354	16,917	55.3%	29,000	32.3%
519.54 · Dues, Ed., Tuition Reimb	516	667	77.4%	2,590	4,667	55.5%	8,000	32.4%
521.52 · PD Enforcement Supplies	(10,232)	1,475	(693.7%)	7,411	10,325	71.8%	17,700	41.9%
<b>Total Operating Expenses</b>	<b>12,431</b>	<b>26,625</b>	<b>46.7%</b>	<b>123,241</b>	<b>146,175</b>	<b>84.3%</b>	<b>235,300</b>	<b>52.4%</b>
<b>Outside Services</b>								
<b>Maintenance Services</b>								
519.46a · Landscaping Maintenance	3,696	5,000	73.9%	24,276	35,000	69.4%	60,000	40.5%
519.46M · Buildings & Facilities Maint.	504	917	55.0%	6,531	6,417	101.8%	11,000	59.4%
519.46O · Office Cleaning Service	620	667	93.0%	4,160	4,667	89.1%	8,000	52.0%
519.46P · Parks Maintenance	256	1,083	23.6%	872	7,583	11.5%	13,000	6.7%
519.46S · Streets & StormSewers	-	1,917	0.0%	2,416	13,417	18.0%	23,000	10.5%
521.162 · PD Equip. Maintenance	-	592	0.0%	2,367	4,142	57.2%	7,100	33.3%
521.46V · PD Vehicles Maintenance	(157)	1,250	(12.6%)	5,725	8,750	65.4%	15,000	38.2%
524.46V · BD Vehicle	-	125	0.0%	970	875	110.9%	1,500	64.7%
539.46V · PW Vehicle	-	125	0.0%	1,435	875	164.0%	1,500	95.7%
539.34 · Temporary Staffing	220	500	44.0%	964	3,500	27.5%	6,000	16.1%
<b>Total Maintenance Services</b>	<b>5,139</b>	<b>12,175</b>	<b>42.2%</b>	<b>49,716</b>	<b>85,225</b>	<b>58.3%</b>	<b>146,100</b>	<b>34.0%</b>
519.31 · Grant Management Support	96	-	n/a	10,271	10,000	102.7%	10,000	102.7%
525.32 · Audit Service	-	4,000	0.0%	22,850	23,000	99.3%	23,000	99.3%
513.32 - Financial Services - Other	2,399	1,250	191.9%	21,507	13,750	156.4%	20,000	107.5%
<b>Total 513.32 · Financial Services</b>	<b>2,495</b>	<b>5,250</b>	<b>47.5%</b>	<b>54,628</b>	<b>46,750</b>	<b>116.9%</b>	<b>53,000</b>	<b>103.1%</b>
514.31 · Legal Services	2,067	4,917	42.0%	35,619	34,417	103.5%	59,000	60.4%
521.31 - PD Professional Services	1,787	750	238.2%	4,630	5,250	88.2%	9,000	51.4%
522.34 - Contracted Fire Rescue Services	88,930	92,500	96.1%	266,790	277,500	96.1%	370,000	72.1%
541.31 - Engineering Services	-	3,167	0.0%	4,626	22,167	20.9%	38,000	12.2%
<b>Total Professional Services</b>	<b>95,278</b>	<b>106,583</b>	<b>89.4%</b>	<b>366,293</b>	<b>386,083</b>	<b>94.9%</b>	<b>529,000</b>	<b>69.2%</b>
<b>Total Outside Services</b>	<b>100,417</b>	<b>118,758</b>	<b>84.6%</b>	<b>416,009</b>	<b>471,308</b>	<b>88.3%</b>	<b>675,100</b>	<b>61.6%</b>
<b>Total Recurring Expenses</b>	<b>220,443</b>	<b>268,104</b>	<b>82.2%</b>	<b>1,308,567</b>	<b>1,451,981</b>	<b>90.1%</b>	<b>2,327,791</b>	<b>56.2%</b>

**Town of Sewall's Point**  
**Financial Report**  
Revenues and Expenses Budget-to-Actual

	<b>Actual Apr 2016</b>	<b>Monthly Budget Apr 2016</b>	<b>Actual to Monthly Budget %</b>	<b>Actual Oct- Apr 2016</b>	<b>YTD Budget Oct - Apr 2016</b>	<b>Actual to YTD Budget %</b>	<b>Annual Budget FY 2016</b>	<b>Actual to Annual Budget %</b>
	<i>unaudited</i>	<i>unaudited</i>		<i>unaudited</i>	<i>unaudited</i>		<i>unaudited</i>	
NR - Capital & Nonrecurring Expenses								
541.64 - Furniture & Equipment								
519.64 - TH Office Equipment	-	208	0.0%	-	1,458	0.0%	2,500	0.0%
521.64 - PD New Equipment	-	583	0.0%	-	4,083	0.0%	7,000	0.0%
<b>Total 541.64 - Furniture &amp; Equipment</b>	<b>-</b>	<b>792</b>	<b>0.0%</b>	<b>-</b>	<b>5,542</b>	<b>0.0%</b>	<b>9,500</b>	<b>0.0%</b>
541.630 - Capital Improvements								
541.632 - Parks & Landscaping	-	2,500	0.0%	761	17,500	4.3%	30,000	2.5%
541.635 - Town Hall	-	833	0.0%	-	5,833	0.0%	10,000	0.0%
541.63R - Road & Bridge Improvements	179	7,500	2.4%	20,595	52,500	39.2%	90,000	22.9%
541.675 - Stormwater Improvements								
541.67G - Grant-matched Projects	-	3,125	0.0%	-	21,875	0.0%	37,500	0.0%
541.67N - Non-Grant Projects	4,554	2,917	156.1%	11,611	20,417	56.9%	35,000	33.2%
<b>Total 541.675 - Stormwater Improvements</b>	<b>4,554</b>	<b>6,042</b>	<b>75.4%</b>	<b>11,611</b>	<b>42,292</b>	<b>27.5%</b>	<b>72,500</b>	<b>16.0%</b>
<b>Total 541.630 - Capital Improvements</b>	<b>4,733</b>	<b>16,875</b>	<b>28.0%</b>	<b>32,966</b>	<b>118,125</b>	<b>27.9%</b>	<b>202,500</b>	<b>16.3%</b>
<b>Total NR - Capital &amp; Nonrecurring Expenses</b>	<b>4,733</b>	<b>17,667</b>	<b>26.8%</b>	<b>32,966</b>	<b>123,667</b>	<b>26.7%</b>	<b>212,000</b>	<b>15.6%</b>

**Town of Sewall's Point**  
**Financial Statement**  
Balance Sheet Prev. YTD Comparison  
As of April 31, 2016

	<i>unaudited</i>	<i>unaudited</i>		
	4/30/2016	4/30/2015	\$ Change	% Change
<b>ASSETS</b>				
Current Assets				
Total Cash Accounts	1,056,333	743,225	313,108	42.1%
Total Investment Accounts	2,230,168	2,219,507	10,661	0.5%
Total Cash & Investments	3,286,502	2,962,732	323,769	10.9%
Total Other Current Assets	87,031	76,379	10,652	13.9%
Total Current Assets	87,031	76,379	10,652	13.9%
Capital Assets				
161.91/.92 Land and Improvements	681,019	681,019	-	0.0%
161.94 · Roads & Walkways	1,624,183	1,624,183	-	0.0%
162.91 · Building - Town Hall	411,010	411,010	-	0.0%
164.91 · Street Lights	140,590	140,590	-	0.0%
164.92 · Landscaping	44,930	44,930	-	0.0%
165.000 · Construction In Progress	11,907	11,907	-	0.0%
166.91 · Police Cars & Equipment	370,554	370,554	-	0.0%
166.912 · Truck - Building Dept.	40,727	40,727	-	0.0%
166.92/.93 · Equipment, Furniture & Fixtures	86,074	86,074	-	0.0%
Less Dep. & Invest.in Capital Assets	(3,410,994)	(3,410,994)	-	0.0%
Total Capital Assets	-	-	-	0.0%
<b>TOTAL ASSETS</b>	<b>3,373,533</b>	<b>3,039,112</b>	<b>334,421</b>	<b>11.0%</b>
<b>LIABILITIES &amp; EQUITY</b>				
Total Accounts Payable & Accrued Expenses				
207.000 · Technology/Processing Fee	9,198	94,043	(84,846)	-90.2%
208.001 · State Fees Payable	700	(54)	754	1401.9%
209.000 · Martin Cty Impact Fees Payable	4,684	4,514	170	3.8%
217.00 · Payroll Liabilities	19,978	-	19,978	100.0%
217.00 · Payroll Liabilities	242	(284)	527	185.3%
Total Current Liabilities	34,802	98,220	(63,417)	-64.6%
Total Long Term Liabilities	-	-	-	0.0%
Total Liabilities	34,802	98,220	(63,417)	-64.6%
Equity				
Designated for Special Projects				
247.030 · Reserve for Prepaid Insurance	17,000	5,367	11,633	216.8%
247.05 · Reserve - Infrastructure	-	62,500	(62,500)	-100.0%
247.06 · Reserve - Vehicle Replacement	-	1,885	-	-
247.32 · Disaster Reserve	1,000,000	-	-	-
247.33 · Operating Reserve	500,000	-	-	-
247.32 · Hurricane Reserve	-	1,500,000	(1,500,000)	-100.0%
Total Designated for Special Projects	1,517,000	1,569,751	(52,751)	-3.4%
Unrestricted and Retained Earnings	1,004,177	1,045,014	(40,837)	-3.9%
YTD Revenues/Transfer from Reserves	817,554	326,127	491,427	150.7%
Total Equity	3,338,731	2,940,892	397,838	13.5%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,373,533</b>	<b>3,039,112</b>	<b>334,421</b>	<b>11.0%</b>

# TOWN OF SEWALL'S POINT



**PAMELA MAC'KIE WALKER**  
Town Manager

**TO: Town of Sewall's Point Commission**  
**FROM: Pamela Mac'Kie Walker, Town Manager**  
**SUBJECT: Agenda Item 2**  
**Meeting Minutes**  
**Town Commission Meeting, May 24, 2016**

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Staff recommends acceptance of the attached meeting minutes.



**TOWN OF SEWALL'S POINT**  
**TOWN COMMISSION MINUTES OF REGULAR MEETING**  
**APRIL 26, 2016**

[Verbatim details available at [www.sewallspoint.org](http://www.sewallspoint.org) by clicking the “audio” link for the meeting]

The Town Commission of the Town of Sewall’s Point met on Tuesday, April, 2016 at 7:00 p.m. at Town Hall.

**CALL TO ORDER**

Mayor Morris called the meeting to order at 7:00 p.m.

**PLEDGE OF ALLEGIANCE**

Mayor Morris led the Pledge of Allegiance.

**ROLL CALL**

Mayor Dan Morris, Vice-Mayor James Campo, Commissioner Vincent N. Barile, Commissioner Paul Luger, Commissioner Jacqui Thurlow-Lippisch, Town Manager Pamela M. Walker, Town Attorney Glen Torcivia and Town Clerk Lakisha Burch were present.

**ADDITIONS, DELETIONS OR CHANGES TO THE AGENDA**

Commissioner Barile asked that item # 7 Investment Policy and item # 8 Tree Ordinance be removed from the agenda and be placed on a workshop agenda for further discussion. Mayor Morris responded that he feels that the subjects could be discussed. Vice-Mayor Campo stated he feels they should be left on the agenda and Commissioner Thurlow-Lippisch stated that she would support Commissioner Barile to have a longer time to discuss the items further.

Town Manager Walker asked that Resolution No. 829 be placed on the agenda as item # 7 and that Mr. Babey’s FEMA contract extension be placed on the agenda as item # 11.

**Motion was made by Commissioner Luger, seconded by Vice-Mayor Campo to approve the changes to the agenda; it was voted as follows: Ayes: Mayor Morris, Vice-Mayor Campo, Commissioners Barile, Luger and Thurlow-Lippisch. Motion carried unanimously.**

**CONSENT AGENDA**

- 1. Financial Reports**
- 2. Meeting Minutes**

**Motion was made by Commissioner Luger, seconded by Vice-Mayor Campo to approve the Consent Agenda as written; it was voted as follows: Ayes: Mayor Morris, Vice-Mayor Camp, Commissioner Barile, Luger and Thurlow-Lippisch. Motion carried unanimously.**

### **COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

There was public comment by Traci Booth.

### **PRESENTATIONS AND PROCLAMATIONS**

#### **3. Swearing in of Officer Brian Feddon**

Town Manager Walker conducted the swearing in Officer Brian Feddon.

#### **4. Historic Preservation Month Proclamation**

Mayor Morris read the Proclamation into record for Historic Preservation Month and Town Manager Walker presented the Proclamation to Douette Pryce a member of the Martin County Historic Preservation Board. Mr. Pryce invited the Commission to the kickoff celebration for Historic Preservation Month that will be held on May 2, 2016 at 5:00 pm located at the Stuart Heritage Museum.

**Motion was made by Commissioner Thurlow-Lippisch, seconded by Vice-Mayor Campo to approve the adoption of Historic Preservation Month; it was voted as follows: Ayes: Mayor Morris, Vice-Mayor Campo, Commissioners Barile, Luger and Thurlow-Lippisch. Motion carried unanimously.**

#### **5. Municipal Clerk Week Proclamation**

Mayor Morris read the Proclamation into read for Municipal Clerk Week and presented the Proclamation to Lakisha Burch, Town Clerk for the Town of Sewall's Point.

#### **6. Resolution No. 829 – Indian River Lagoon Compact**

Mayor Morris read Resolution No. 829 into read. Vice-Mayor Campo asked for clarification of the formation of the Indian River Lagoon Compact. Commissioner Barile responded to his question.

**Motion was made by Commissioner Barile, seconded by Commissioner Thurlow-Lippisch to approve Resolution No. 829 supporting the formation of the Indian River Lagoon Compact; it was voted as follows: Ayes: Mayor Morris, Vice-Mayor Campo, Commissioners Barile, Luger and Thurlow-Lippisch. Motion carried unanimously.**

#### **7. Presentation by Lego Robotics Team "SPICY"**

Lego Robotics Team "SPICY" performed a musical skit.

### **DISCUSSION**

#### **8. Investment Policy**

Town Manager Walker presented the item to the Commission.

There were discussion among the Commission.

The Commission reached a consensus to have Vice-Mayor Campo, Town Manager Walker and a interested citizens to review the Town's Investment Policy and make recommendations regarding the Town's finances to the Commission.

### **9. Tree Ordinance**

Mayor Morris opened this item by stating that he feels the Tree Ordinance is a well written Ordinance but still have some concerns regarding the Tree Ordinance. He then stated his concerns to the Commission.

Commissioner Thurlow-Lippisch stated that she would not be able to support these changes and continued to give her reasons for her decision.

There was discussion among the Commission.

### **10. Fire Consolidation**

Town Manager Walker presented the item to the Commission.

Mayor Morris stated that there was a misstatement at the Fire Consolidation meeting by the County Administrator regarding Sewall's Point being subsidized and that the statement reflected badly on Sewall's Point.

Commissioner Luger commented he probably would not be at the next meeting but felt that the Commissioners who would be in attendance should mention this mistake to the County Administrator publically.

Commissioner Thurlow-Lippisch suggested that the Town Manager write a letter to the County Administrator.

Commissioner Barile asked what good is the consolidation doing for the Sewall's Point.

Mayor Morris asked whether research should be done regarding private service. Town Manager Walker responded to the Mayor's question.

Vice-Mayor Campo commented that it is important for the Town to keep communication open so that we can be involved in negotiations.

There were public comments made by Traci Booth and Lucy Escue.

There was further discussion among the Commission, Town Manager and Town Attorney.

The Commission reached a consensus directing the Town Manager to write a letter to the County Administrator copying the Commissioners and City Manager of the local municipalities correcting the County Administrator's misstatement regarding the County subsidizing the Town of Sewall's

Point. The Commission also directed the Town Manager to send an email to the residents of Sewall's Point informing them of the upcoming meeting regarding Fire Consolidation.

### **11. Fote-Babey FEMA Contract Extension**

Town Manager Walker presented the item to the Commission.

There was discussion among the Commission.

**Motion was made by Commissioner Luger, seconded by Commissioner Thurlow-Lippisch to approve the extension of the Fote-Babey FEMA contract; it was voted as follows: Ayes: Mayor Morris, Vice-Mayor Campo, Commissioner Luger and Thurlow-Lippisch. Nye: Commissioner Barile. Motion passed 4-1.**

### **COMMISSIONERS OR STAFF COMMENTS**

Town Manager Walker sought direction from the Commission regarding whether the Town should make formal comments to the All Aboard Florida permits; the Commission reiterated their opposition to the project but recognized that the Town does not have staff resources available for active involvement in the permitting process. The Town Manager sought direction from the Commission regarding the removal of the diseased tree and old vine in the traffic circle at High Point and South River; the Commission acknowledged that the vegetation may require removal and suggested that inquiry be made regarding transplanting the vine due to its botanical significance.

Commissioner Thurlow-Lippisch expressed her support for Commissioner Barile's concern about residents not finishing their FEMA projects on time. There was discussion about the building permit process.

### **ADJOURN**

There being no further business to come before the Commission, the meeting was adjourned at 10:07 p.m.

**APPROVED:**

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**Mayor Dan Morris, Presiding Officer**

**ATTEST:**

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**Lakisha Q. Burch, Town Clerk**



**TOWN OF SEWALL'S POINT**  
**TOWN COMMISSION MINUTES OF WORKSHOP MEETING**  
**MAY 10, 2016**

[Verbatim details available at [www.sewallspoint.org](http://www.sewallspoint.org) by clicking the “audio” link for the meeting]

The Town Commission of the Town of Sewall’s Point met on Tuesday, May 10, 2016 at 5:30 p.m. at Town Hall.

**CALL TO ORDER**

Mayor Morris called the meeting to order at 5:30 p.m.

**PLEDGE OF ALLEGIANCE**

Mayor Morris led the Pledge of Allegiance.

**ROLL CALL**

Mayor Dan Morris, Vice-Mayor James Campo, Commissioner Vincent N. Barile, Commissioner Paul Luger, Commissioner Jacqui Thurlow-Lippisch, Town Manager Pamela M. Walker and Town Clerk Lakisha Burch were present.

**ADDITIONS, DELETIONS OR CHANGES TO THE AGENDA**

Commissioner Barile asked if the email that was sent by the Town Manager be placed on the agenda as item number 4 and Commissioner Campo asked if the Fire Consolidation be added as item number 5.

**The Commission reached a consensus to approve the amended agenda.**

**COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

There was no public comment.

**DISCUSSION**

**1. Strategic Planning Process**

Town Manger Walker presented the item to the Commission.

**2. Capital Repair & Replacement Planning**

Town Manager Walker introduced the item.

Joe Capra, Town Engineer, presented the item to the Commission.

There were discussion among the Commission, Town Manager Walker and Joe Capra, Town Engineer.

### **3. Capital Construction Project Costs and Priorities**

Joe Capra, Town Engineer, presented the item to the Commission.

There was public comments by Paul Braum and Scott Wade.

### **4. Email from Town Manager to the Town Commission**

Commissioner Barile stated that he needed clarification of the time the Town Manager has asked off and to make it clear whether she is permitted to work remotely. He also stated that if the Commission was in agreement with the Town Manager working remotely that it needed to be a consensus among the Commission. Town Manager Walker addressed Commissioner Barile's concerns.

Vice-Mayor Campo also expressed his concerns regarding the Town Manager being out and stated that she should take the time off to be with her family. Town Manager Walker also addressed Vice-Mayor Campo's concerns.

**The Commission reached a consensus to approve the Town Manager's time off and her request to work remotely.**

### **5. Fire Consolidation**

Mayor Morris gave an overview of the last Fire Consolidation meeting and his view.

There was discussion among the Commission and the Town Manager.

**The Commission directed that the Town Manager continue to act as the Town's representative in Fire Consolidation discussions, authorizing her to retain the services of the Town Attorney for any meeting at which she cannot be present.**

### **COMMISSIONERS OR STAFF COMMENTS**

Mayor Morris asked the John Adams, Building Official to speak on the Tree Ordinance.

### **ADJOURN**

There being no further business to come before the Commission, the meeting was adjourned at 8:52 p.m.

**APPROVED:**

---

**Mayor Dan Morris, Presiding Officer**

**ATTEST:**

---

**Lakisha Q. Burch, Town Clerk**

Before the Mayor of the  
Town of Sewall's Point, Florida

A Proclamation  
Of Appreciation to  
Officer Scott Donlon

**Whereas,** On August 10, 1997, Officer Scott Donlon began his service as a police officer for the Town of Sewall's Point; and

**Whereas,** Officer Donlon has served the Town honorably and with distinction for 19 years; and

**Whereas,** Officer Donlon has recently retired from his service as a Police Officer for the Town of Sewall's Point; and

**Whereas,** It is most appropriate that we recognize and honor Officer Donlon for his service to the Town;

**Now, therefore, I, Dan Morris, Mayor of the Town of Sewall's Point,** on behalf of the Town Commission, the Town Manager, Chief of Police, your fellow Officers, Town employees, and all the citizens of the Town of Sewall's Point, hereby express our appreciation and gratitude by presenting to Officer Donlon his Service Duty Weapon and Badge in sincere appreciation for the service rendered by him to the Town of Sewall's Point.

*Duly Adopted this Twenty-Fourth Day of May, 2016*

---

**Dan Morris**  
**MAYOR**

# TOWN OF SEWALL'S POINT



**PAMELA MAC'KIE WALKER**  
Town Manager

**TO: Town of Sewall's Point Commission**  
**FROM: Pamela Mac'Kie Walker, Town Manager**  
**SUBJECT: Agenda Item 4**  
**Notice of Qualifying and Election Proclamation**  
**Town Commission Meeting, May 24, 2016**

---

**Background:** Pursuant to section 2-203(c) of the Town of Sewall's Point Code of Ordinances, the Town Commission shall issue a proclamation calling any general, primary or special election, stating therein where the election shall be held, and naming the different offices to be filled or questions to be decided, and causing the proclamation to be posted not less than 30 days prior to such election on the Town Hall bulletin board

**Recommendation:** Staff recommends that the Town Commission approve the attached Proclamation.

Before the Mayor of the Town of Sewall's Point,  
Martin County, Florida

# A Proclamation

## Notice of Qualifying and Election

- WHEREAS, any person who is registered as a resident of Sewall's Point by the Martin County Supervisor of Elections, and at least 18 years old, is permitted to vote. Any registered qualified voter in the Town of Sewall's Point is eligible for election as Commissioner, and;
- WHEREAS, eligible candidates shall file with the Town, Candidates shall file the qualifying papers during the qualifying period set forth for county office elections in F.S. § 99.061(2), which are noon June 20, 2016 to noon June 24, 2016, and;
- WHEREAS, there are three (3) vacancies on the Town Commission, created by the expiration of terms of office. The vacancies to be filled in this election shall have four-year terms that expire in November 2020, and;
- WHEREAS, if seven or more candidates qualify by the closing of the qualifying period the Primary Election will be held on August 30, 2016, and;
- WHEREAS, if four to six candidates qualify by the closing of the qualifying period the General Election will be held on Tuesday, November 8, 2016, and;
- WHEREAS, if three candidates qualify by the closing of the qualifying period they will be automatically elected, and;
- WHEREAS, the polling location will be located in the Commission Chambers located at 1 South Sewall's Point Road, Sewall's Point, FL 34996 and will be open from 7:00 a.m. until 7:00 p.m.

**NOW THEREFORE, BE IT RESOLVED** by the Town of Sewall's Point, Florida that:

1. The recitals above is hereby adopted.
2. The Resolution will take effect immediately upon its adoption.

**DULY ADOPTED** at a regular meeting this 24<sup>th</sup> day of May, 2016.

---

Dan Morris, Mayor

# TOWN OF SEWALL'S POINT



**PAMELA MAC'KIE WALKER**  
Town Manager

**TO:** Town of Sewall's Point Commission  
**FROM:** Pamela Mac'Kie Walker, Town Manager  
**SUBJECT:** Agenda Item 5  
Budget Amendments for Professional Services  
Town Commission Meeting, May 24, 2016

---

**Background:** The Town's professional services budget includes fees for attorneys, engineers, accountants and the auditor. While total expenditures for professional services is below the budgeted amount, the expenses for accounting and grant management services are higher than anticipated and will continue to increase due to the additional FEMA grant recently approved. Because the sub-budgets under professional services are approved by the Commission as part of the budget process, an amendment is needed to move funds from the under-utilized professional services categories to those professional services categories.

**Recommendation:** Staff recommends that the Commission adopt the attached Budget Amendment Resolution reducing Engineering fees by \$15,000 and increasing Grant Management and Accounting Fees by \$7,500 each.

**RESOLUTION NO. 831**

**A RESOLUTION OF THE TOWN OF SEWALL'S POINT,  
FLORIDA, AUTHORIZING THE PROPOSED BUDGET  
AMENDMENT; PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, the Town of Sewall's Point, Florida, on May 24, 2016, held a Regular Meeting of the Town Commission as required by Florida Statutes 166.241; and

**WHEREAS**, the Town of Sewall's Point, Florida, desires to authorize a budget amendment as follows:

- appropriate \$7,500 to account 513.32, from account 541.31
- appropriate \$7,500 to account 519.31, from account 541.31.

**NOW THEREFORE, BE IT RESOLVED** by the Town of Sewall's Point, Florida that:

1. The Budget Amendment described in the recitals above is hereby authorized.
2. The Resolution will take effect immediately upon its adoption.

**DULY ADOPTED** at a regular meeting this 24<sup>th</sup> day of May, 2016.

TOWN OF SEWALL'S POINT, FLORIDA

\_\_\_\_\_  
Dan Morris, Mayor

ATTEST:

\_\_\_\_\_  
Lakisha Q. Burch, Town Clerk

\_\_\_\_\_  
Glen J. Torcivia, Town Attorney  
Florida Bar No. 343374  
Approved as to form and legal sufficiency

# TOWN OF SEWALL'S POINT



**PAMELA MAC'KIE WALKER**  
Town Manager

**TO:** Town of Sewall's Point Commission  
**FROM:** Pamela Mac'Kie Walker, Town Manager  
**SUBJECT:** Agenda Item 6  
FY 2014-2015 Audit  
Town Commission Meeting, May 24, 2016

---

**Background:** The Audit of Town Records for Fiscal Year 2014-15 (attached) will be presented by Jay McBee of DiBartolomeo, McBee, Hartley & Barnes.

**Recommendation:** Staff recommends that the audit be accepted.

**TOWN OF SEWALL'S POINT, FLORIDA**  
**FINANCIAL STATEMENTS WITH INDEPENDENT**  
**AUDITOR'S REPORT THEREON**  
**SEPTEMBER 30, 2015**

**TOWN OF SEWALL'S POINT, FLORIDA**  
SEPTEMBER 30, 2015

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members of the Town Commission  
Town of Sewall's Point, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Sewall's Point, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, and of the Town of Sewall's Point, Florida, as of September 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 9 and 29 - 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Sewall's Point, Florida's basic financial statements. The accompanying information is presented for purposes of additional analysis and is not a required part of the financial statements. Additionally, the accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The accompanying information, budgetary comparison information, schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our

opinion, the accompanying information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2016, on our consideration of the Town of Sewall's Point, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Sewall's Point, Florida's internal control over financial reporting and compliance.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.  
Fort Pierce, Florida  
April 29, 2016

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Sewall's Point's discussion and analysis is designed to assist the reader by providing a narrative overview and analysis of the financial activities of the Town of the years ended September 30, 2015 and 2014. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statements that follow this section.

### FINANCIAL HIGHLIGHTS

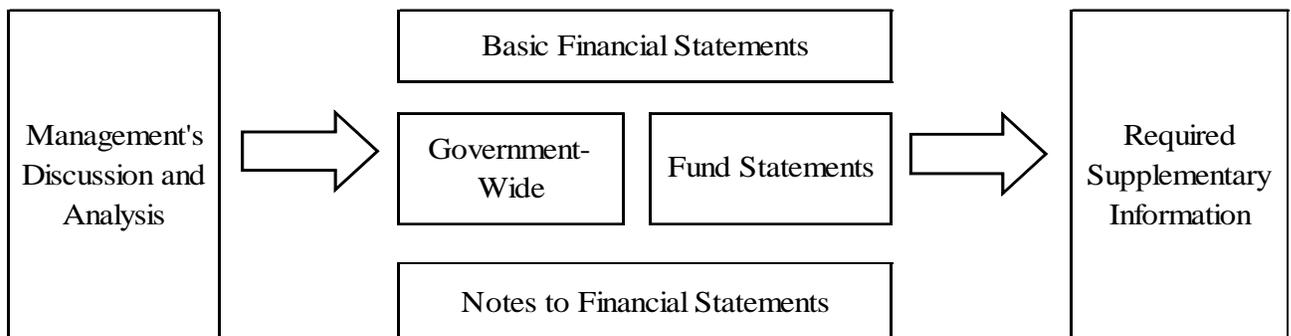
The following are the highlights of financial activity for the fiscal year ended September 30, 2015 and 2014.

- The Town's total net position exceeds its liabilities at September 30, 2015 and 2014 by \$4,676,257 and \$4,822,088 (net position), respectively. Of this amount, \$2,495,342 and \$2,505,645 were from unrestricted funds and \$2,180,915 and \$2,316,443 were from fixed assets, respectively.
- The Town's revenues for governmental activities were \$3,797,298 and \$3,122,042, respectively. The expenditures for governmental activities were \$3,943,129 and \$3,294,888, respectively. FEMA dollars accounted for a significant portion of the changes in revenue and expenditures.
- The General Fund balances at September 30, 2015 and 2014 were \$2,567,987 and \$2,614,767, respectively.

### OVERVIEW OF FINANCIAL STATEMENTS

The Town is reporting under the GASB 34 reporting model. Management's Discussion and Analysis is only a portion of the new features of this format.

The basic financial statements are comprised of government-wide statements that offer a summary of financial activity and more specific fund statements that present more detailed information.



## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (pages 10 and 11) are designed to provide the reader with a broad overview of the Town's finances, in a manner similar to private-sector business. The statements include the Statement of Net Position and the Statement of Activities. They are new to government reporting and are designated to provide a broad overview of the Town as a whole. The *Statement of Net Position* shows the total assets and liabilities for the Town with the difference being net position. The change in net position over time may be an indicator of the Town's financial health. The *Statement of Activities* provides a breakdown of revenues and expenditures by function. The functions primarily supported by taxes and intergovernmental revenues, such as police, fire and other public services are considered governmental activities.

## FUND FINANCIAL STATEMENTS

Traditional users of government financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than the previous reporting model's fund types. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal obligations.

***Governmental Funds*** (beginning on page 10) are used for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirement. The Town's basic services are reported in the governmental funds.

***Notes to the Financial Statements*** (beginning on page 16) provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$4,676,257 and \$4,822,088 as of September 30, 2015 and 2014, respectively.

<u>Net Position</u>		
	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 2,600,573	\$ 2,588,969
Other assets	83,060	180,259
Restricted assets	496,401	26,048
Capital assets	<u>2,180,915</u>	<u>2,316,443</u>
Total assets	<u><u>\$ 5,360,949</u></u>	<u><u>\$ 5,111,719</u></u>
Liabilities:		
Accounts payable	\$ 115,646	\$ 72,011
Restricted liabilities	496,401	108,498
Other liabilities	<u>72,645</u>	<u>109,122</u>
Total liabilities	<u><u>684,692</u></u>	<u><u>289,631</u></u>
Investment in capital assets	2,180,915	2,316,443
Unrestricted	<u>2,495,342</u>	<u>2,505,645</u>
Total net position	<u><u>\$ 4,676,257</u></u>	<u><u>\$ 4,822,088</u></u>

The largest portions of the Town's net position are in capital assets and cash and investments.

## Governmental Activities

Governmental activities decreased the Town's net position by \$145,831 and \$172,846 in 2015 and 2014, respectively. Key elements of this increase are as follows:

	2015	2014
Program revenues:		
Charges for services	\$ 282,993	\$ 334,464
Operating grants	64,759	152,648
General revenues		
Property taxes	1,469,693	1,325,047
Franchise fees	240,148	237,786
Sales and use taxes	208,096	193,361
State revenue sharing	130,128	164,892
Investment earnings	7,797	1,938
Miscellaneous	* 1,393,684	711,906
Total revenues	3,797,298	3,122,042
Program expenses:		
General government	439,671	543,766
Public safety	1,121,100	1,287,913
Public works	* 2,382,358	1,463,209
Total expenses	3,943,129	3,294,888
Increase (decrease) in net position	(145,831)	(172,846)
Beginning net position	4,822,088	4,994,934
Ending net position	\$ 4,676,257	\$ 4,822,088

Property taxes are the main source of revenues and represent approximately 39% and 42%, respectively, of the revenue for governmental activities. Expenditures for Public Safety (Police and Building Inspection) represent approximately 28% and 39%, respectively, of governmental activity expenditures. During 2015, public works expenditures increased by 63% over 2014.

\* Includes \$1,293,931 and \$649,812 of FEMA dollars for 2015 and 2014, respectively.

## FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

At September 30, 2015 and 2014, the Town’s governmental fund reported respective ending fund balances of \$2,567,987 and \$2,614,767, a decrease of \$46,780 and \$51,972, in comparison with prior years.

**Budgetary Highlights** - The budget to actual comparison statement is presented on pages 29 to 31. The budget and actual schedules show the original budgets, the final budget, actual results, and variance between the final budget and actual results for the General Fund.

### CAPITAL ASSETS

The Town’s investment in capital assets for its governmental activities as of September 30, 2015 and 2014 amounted to \$2,180,915 and \$2,316,443, respectively. This investment in capital assets includes land, buildings, improvements, machinery and equipment.

The total change in the Town’s investment in capital assets for the fiscal years 2015 and 2014 were (\$135,528) and (\$106,352), respectively.

Capital assets were comprised of the following:

	2015	2014
Land	\$ 604,382	\$ 604,382
Construction in process	11,908	11,908
Buildings	411,010	411,010
Other improvements	121,567	121,567
Transportation and police equipment	411,280	411,280
Furniture, fixtures, and other equipment	86,074	86,074
Roads and walkways	1,624,183	1,624,183
Street lights	140,590	140,590
Total capital assets	3,410,994	3,410,994
Less accumulated depreciation	(1,230,079)	(1,094,551)
Total	\$ 2,180,915	\$ 2,316,443

## **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

The Town's 2015 budget reflects a small increase in ad valorem taxes resulting from a 10% millage rate increase. While no major capital projects are planned for 2015-2016, there is increased emphasis on routine maintenance to extend the lifecycle of capital assets. Grant funding continues to allow the Town to address flooding and water quality concerns through minor improvements. The primary focus of the Town in 2015-2016 is improving efficiencies that will allow continued high levels of service at the least possible cost.

Property Taxes are the main source of revenue for governmental activities and represent approximately 39% of the General Fund budgeted revenues. The Town's property tax millage rate is 2.87 mills.

Our total assessed property value for 2015 is \$598,841,698 (\$584,000,952 in 2014). This is an increase of approximately .25% in the total assessed value from the prior year.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the town's accountability for the money it receives. If you have any questions about the report or need additional financial information, contact the Town Manager at the Town of Sewall's Point, 1 South Sewall's Point Road, Sewall's Point, Florida 34996.

**TOWN OF SEWALL'S POINT, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,600,573
Due from other governmental units	59,810
Prepaid expenses	23,250
Restricted assets	
Cash and cash equivalents	496,401
Capital assets	
Nondepreciable	616,290
Depreciable, net of depreciation	<u>1,564,625</u>
Total assets	<u><u>\$ 5,360,949</u></u>
<b>Liabilities</b>	
Accounts payable	\$ 109,963
Other liabilities	5,683
Restricted liabilities	
Advance from other governmental units	496,401
Non-current liabilities	
Due within one year	29,058
Due in more than one year	<u>43,587</u>
Total liabilities	<u>684,692</u>
<b>Net Position</b>	
Invested in capital assets	2,180,915
Unrestricted	<u>2,495,342</u>
Total net position	<u>4,676,257</u>
Total liabilities and net position	<u><u>\$ 5,360,949</u></u>

The accompanying notes are an integral part of this financial statement

**TOWN OF SEWALL'S POINT, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Function/Program Activities	Expenses	Program Revenues		Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Government Activities				
General government	\$ 439,671	\$ 258,524	\$ -	\$ (181,147)
Public safety	1,121,100	24,469	2,259	(1,094,372)
* Public works	2,382,358	-	62,500	(2,319,858)
Total governmental activities	3,943,129	282,993	64,759	(3,595,377)
General revenues				
Property taxes				1,469,693
Franchise taxes				240,148
Sales and use taxes				208,096
State revenue sharing				130,128
Investment earnings				7,797
* Miscellaneous				1,393,684
Total general revenues				3,449,546
Change in net position				(145,831)
Net position, beginning of year				4,822,088
Net position, end of year				\$ 4,676,257

\* Includes FEMA in the amount of \$1,293,931.

The accompanying notes are an integral part of this financial statement

**TOWN OF SEWALL'S POINT, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2015**

	General
<b>Assets</b>	
Cash and cash equivalents	\$ 2,600,573
Due from other governmental units	59,810
Prepaid expenses	23,250
<b>Restricted</b>	
Cash and cash equivalents	496,401
<b>Total assets</b>	<b>\$ 3,180,034</b>
 <b>Liabilities and fund balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ 109,963
Accrued liabilities	5,683
<b>Restricted</b>	
Advances from other governments	496,401
<b>Total liabilities</b>	<b>612,047</b>
 <b>Fund balances</b>	
Non-spendable	23,250
<b>Spendable</b>	
Assigned	1,500,000
Unassigned	1,044,737
<b>Total fund balances</b>	<b>2,567,987</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,180,034</b>

The accompanying notes are an integral part of this financial statement

**TOWN OF SEWALL'S POINT, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2015**

Fund balance - total governmental funds, page 12 \$ 2,567,987

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

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

Governmental capital assets	3,410,994	
Less accumulated depreciation	<u>(1,230,079)</u>	
		2,180,915

Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at year end consist of:

Compensated absences	<u>(72,645)</u>	
		<u>(72,645)</u>

Net position of governmental activities, page 10 \$ 4,676,257

The accompanying notes are an integral part of this financial statement

**TOWN OF SEWALL'S POINT, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>General Fund</u>
Revenues:	
Taxes	\$ 1,469,693
Franchise fees/taxes	173,364
Licenses and permits	258,524
Intergovernmental	469,767
Fines and forfeitures	24,469
Investment earnings	7,797
* Miscellaneous	1,393,684
Total revenues	3,797,298
Expenditures:	
General government	444,298
Public safety	1,111,091
* Physical environment	2,288,689
Total expenditures	3,844,078
Excess of revenues under expenditures	(46,780)
Net change in fund balances	(46,780)
Fund balance, beginning of year	2,614,767
Fund balance, end of year	\$ 2,567,987

\* Includes FEMA in the amount of \$1,293,931.

The accompanying notes are an integral part of this financial statement

**TOWN OF SEWALL'S POINT, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Net change in fund balances - total governmental funds, page 14 \$ (46,780)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense:

Less: current year depreciation	<u>(135,528)</u>	(135,528)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in long-term compensated absences	<u>36,477</u>	<u>36,477</u>
--	---------------	---------------

Change in net position, page 11	<u><u>\$ (145,831)</u></u>	
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The accompanying notes are an integral part of this financial statement

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Sewall's Point, Florida (the "Town") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

*Reporting Entity*

The Town of Sewall's Point, Florida, was incorporated in 1957 pursuant to Chapter 57-1478, Laws of Florida. The Town is governed by an elected Mayor, Vice Mayor, President Pro-Tem, and the Town Commission, which appoints a Town Administrator. The Town's major operations include public safety (police and building inspection), public works and general administrative services.

As required by generally accepted accounting principles, these general purpose financial statements present the government and its component units. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that no component units exist which would require inclusion in this report. Further, the Town is not aware of any entity which would consider the Town to be a component unit.

*Government-wide and Fund Financial Statements - GASB Statement #34*

The basic financial statements include both government-wide and fund financial statements. The previous financial reporting model emphasized fund types. The new reporting model focuses on either the Town as a whole, or major individual funds (within the fund financial statements).

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Government-wide and Fund Financial Statements - GASB Statement #34 (Continued)*

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. The Town does not accrue property tax revenues since the collection of these taxes coincides with the fiscal year in which they are levied, and since the Town consistently has no material uncollected property taxes at year end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The effect of inter-fund activity has been eliminated from the government-wide financial statements.

*Governmental Funds*

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough afterwards to pay liabilities of the current period. The Town considers revenues collected within 60 days of the year end to be available to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences and claims and judgments are recorded only

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental Funds (Continued)

when payment is due. Fines and permit revenues are not susceptible to accrual because, generally, they are not measurable until received in cash. Property taxes, franchise taxes, licenses, interest revenue, intergovernmental revenues, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the Town. It is used for all financial resources.

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit in demand accounts and money market accounts.

Investments

Investments are reported at fair value, which is determined by using various third party pricing sources. The Local Government Surplus Funds Trust Fund, administered by the Florida State Board of Administration is a "2A-7 like" pool and, thus, these investments are valued using the pooled share price.

Accounts Receivable

Accounts receivable of the General Fund usually consists of miscellaneous services. The Town had no accounts receivable for the year ended September 30, 2015.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include plant, property, equipment, and infrastructure assets (e.g. roads, bridges, and sidewalks), are reported in the governmental column in the governmental-wide

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital Assets (Continued)

financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000. Such assets are recorded at cost or the fair market value of the assets at the time of purchase or contribution. The Town is a Phase 3 government under GASB 34, and the Town has elected not to report major general infrastructure assets retroactively. Depreciation has been provided over the useful lives using the straight line method. The estimated useful lives are as follows:

Buildings	40 years
Improvements other than buildings	10-30 years
Infrastructure	25-40 years
Equipment	5-26 years
Software	3 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Compensated Absences

Vacation and sick leave hours are accrued when incurred. A dollar amount for this liability for these amounts is estimated each year. Town leave policies are summarized in Note D.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Deferred Outflows/Inflows of Resources

The statement of net position reports, as applicable, a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For example, the Town would record deferred outflows of resources related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Deferred Outflows/Inflows of Resources (continued)

The statement of net position reports, as applicable, a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For example, when an asset is recorded in the governmental fund financial statements, but the revenue is not available, the Town reports a deferred inflow of resources until such times as the revenue becomes available.

Net Position

Equity in the government-wide statement of net position is displayed in three categories: 1) invested in capital assets net of related debt, 2) restricted, 3) unrestricted. Net position invested in capital assets net of related debt consist of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Net position are reported as restricted when there are legal limitations imposed on their use by Town legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net position consists of all net position that do not meet the definition of either of the other two components.

Categories and Classification of Fund Equity

The Town has implemented GASB 54. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure, of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectability of accounts

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Estimates (continued)

receivable, the use and recoverability of inventory, and useful lives and impairment of tangible and intangible assets. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent September 30, 2015, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2015. Management has performed their analysis through April 29, 2016.

New Pronouncement

The Town is required to implement Governmental Accounting Standards Board Statement 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. However, the Town does not participate in any programs that would constitute Other Postemployment Benefits (OPEB) under GASB 45. Accordingly, there has been no adjustment recorded in the accompanying financial statements in regards to the implementation of GASB 45.

**NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Budgetary Data

State of Florida statutes require that all municipal governments establish budgetary systems and approve balanced annual operating budgets. The Town Commission annually adopts an operating budget and appropriates funds for the general fund. The procedures for establishing budgetary data are as follows:

- Prior to August 1, the Town Administrator submits to the Town Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Upon completion of the public hearings, and prior to October 1, a final operating budget is legally enacted through passage of a resolution. Estimated beginning fund balances are considered in the budgetary process.
- Revisions to budgeted totals in any department require approval of the Town Commission prior to September 30<sup>th</sup> of the fiscal year currently ended.

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

*Budgetary Data (continued)*

- Formal budgetary integration is employed as a management control device during the year for the general fund.
- Appropriations along with encumbrances lapse on September 30.

The adopted budgets are prepared in accordance with generally accepted accounting principles. The budget presented herein is the final budget, as amended.

*Fund Balance Disclosure*

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Town classifies governmental fund balances as follows:

Nonspendable

Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. This would include inventories, deposits, and prepaid items.

Spendable Fund Balance

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that can be used only for the specific purposes that are internally imposed by a formal action of the government's highest level of decision making authority. Commitments may be charged by the government taking the same action that imposed the constraint initially. Contractual obligations are included to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual obligations.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. This indicates that resources in these funds are, at a minimum, intended to be used for the purposes of that fund. Fund balance may be assigned by the Town Council or the Town Manager, as authorized by the Council.

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

*Fund Balance Disclosure (continued)*

Spendable Fund Balance (continued)

Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

*Property Taxes*

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector, respectively. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue. The assessment roll meets all of the appropriate requirements of State law. The assessed value of property within the corporate limits of the Town at January 1, 2014 upon which the 2014-2015 levy was based, was approximately \$598,841,698 million. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills.

The tax levy of the Town is established by the Town Commission prior to October 1 of each year during the budget process. The Martin County Property Appraiser incorporates the Town's millage into the total tax levy, which includes the County, County School Board and Special District tax requirements. The millage rate assessed by the Town for the year ended September 30, 2015, was 2.87 (\$2.87 for each \$1,000 of assessed valuation).

Taxes may be paid less a 4% discount in November or at declining discounts each month through the month of February. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are offered for sale, for all delinquent taxes on real property.

After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County. Delinquent taxes on personal property bear interest at 18% (or the bid rate) per year until the tax is satisfied either by seizure and sale of the property or by the five year statute of limitations. At September 30, 2015, unpaid delinquent taxes are not material and have not been recorded by the Town.

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE C - DEPOSITS AND INVESTMENTS**

Deposits

As of September 30, 2015, the carrying amount of the Town's deposits in "Qualified Public Depositories" was \$872,497 and the bank balance was \$935,803.

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Town's deposits at year end are considered insured for custodial credit risk purposes.

Investments

The Town's investment policy authorizes investments in savings accounts, certificates of deposits, money market funds, bonds, notes or other obligations of the U.S. Government, repurchase agreements, securities issued or guaranteed by certain federal agencies and instrumentalities, Local Government Surplus Trust Fund or any intergovernmental investment fund authorized pursuant to the Florida Interlocal Cooperation Act, commercial paper, securities issued by the Town, any guaranteed investment contract within the limitations established by Florida Statutes, and any other investment vehicle authorized by Florida law and determined by the investment officer and the Town Commission to be a prudent investment.

In accordance with GASB 31 investments are stated at fair value based on per share prices. The Florida PRIME Investment Pool (LGIP) is considered to be a "2a-7 like" investment, and is accounted for at fair value for financial reporting. Florida PRIME has a current rating by Standard and Poor's of AAAM. There is a risk of loss on these investments based upon the fluctuation of interest rates and lengths of maturity.

As of September 30, 2015, the Town had the following investments:

	Weighted	Fair Value
State Board of Administration- Pool A	40 Days	\$ 2,224,477
		\$ 2,224,477

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)**

*Credit Risk*

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Town's investment policies limit its investments to high quality investments to control credit risk. As of September 30, 2015, the money market mutual funds are not rated.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Cash and cash equivalents were comprised of the following as of September 30, 2015:

Deposits and investments	<u>\$ 3,096,974</u>
Total cash, deposits, and investments	<u><u>\$ 3,096,974</u></u>

Cash and cash equivalents are presented in the balance sheet as of September 30, 2015, as follows:

Current cash and cash equivalents	\$ 2,600,573
Restricted cash and cash equivalents	<u>496,401</u>
Total cash and cash equivalents	<u><u>\$ 3,096,974</u></u>

**NOTE D - LONG-TERM DEBT AND COMMITMENTS**

*Compensated Absences*

Town employees are granted a specific amount of vacation and sick leave time off with pay. Eligible employees can accumulate up to 120 hours of vacation time (unless a greater balance is approved by the Town Commission) and unlimited hours of sick leave.

Vacation leave may be paid in full upon separation. Employees with 15 or more years of continuous service to the Town may be paid ½ of accrued sick leave up to a maximum of 240 hours upon retirement, resignation in good standing, or death. Any exceptions to the sick leave policy must be pre-approved by the Town Commission. Quarterly, at the employee's discretion, the Town will compensate an employee in good standing who has accrued a minimum of 120 hours sick leave with ten hours of pay at his or her normal rate of pay in exchange for twenty hours of sick leave, which shall be deducted from the employee's present sick leave balance.

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE D - LONG-TERM DEBT AND COMMITMENTS (CONTINUED)**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Fund					
Compensated Absences	\$ 109,122	\$ 104,001	\$ (140,478)	\$ 72,645	\$ 29,058

**NOTE E - DEFINED CONTRIBUTION/ DEFERRED PENSION PLAN**

General

The Town contributes to a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits that a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions. ICMA Retirement Trust, the Plan's custodian, held no securities of the Town or other related parties during the year or as of the close of the fiscal year.

Eligibility, Vesting, and Contributions

Full time municipal employees of the Town may participate in the plan upon employment. Contributions made by the Town vest 20% after two years of credited service, plus 20% for each of the next four years of credited service. Contributions made by an employee vest immediately and an employee who leaves the employment of the Town is entitled to the Town's contributions after two years of credited service or their account may remain open until retirement. The employee is also entitled to the Town's contributions if vesting requirements are satisfied, plus interest earned on their individual account. The Town is required to contribute 15% of the employee's annual earnings.

For the year ended September 30, 2015, the total pension expense was \$124,519, which was 15% of the current year covered payroll totaling \$834,511. The total Town payroll for the year ended September 30, 2015, was \$855,762.

Forfeited Accounts

At separation of service, a participant's non-vested portion of his or her account is forfeited. These forfeitures are then allocated to a suspense account and used to reduce, dollar for dollar, future employer contributions. Forfeiture accounts totaled \$0 at September 30, 2015.

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE E - DEFINED CONTRIBUTION/ DEFERRED PENSION PLAN (CONTINUED)**

*Deferred Compensation Plan*

Employees may also voluntarily contribute to a 457 Deferred Compensation Plan. The contribution is based on various withholding percentages of those individuals' current year covered payroll. Employee contributions are made each pay period and the Town remits the contributions on their behalf.

**NOTE F - CAPITAL ASSETS**

The following is a summary of changes in the entity-wide financial statements during the fiscal year.

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated				
Land	\$ 604,382	\$ -	\$ -	\$ 604,382
Construction in process	11,908	-	-	11,908
Total capital assets not being depreciated	<u>616,290</u>	<u>-</u>	<u>-</u>	<u>616,290</u>
Capital assets being depreciated				
Buildings	411,010	-	-	411,010
Other improvements	121,567	-	-	121,567
Transportation and police equipment	411,280	-	-	411,280
Furniture, fixtures, and other equipment	86,074	-	-	86,074
Roads and walkways	1,624,183	-	-	1,624,183
Street lights	140,590	-	-	140,590
Total capital assets being depreciated	<u>2,794,704</u>	<u>-</u>	<u>-</u>	<u>2,794,704</u>
Less accumulated depreciation for				
Buildings	248,521	10,222	-	258,743
Other improvements	91,094	6,486	-	97,580
Transportation and police equipment	356,666	25,373	-	382,039
Furniture, fixtures, and other equipment	66,179	8,723	-	74,902
Roads and walkways	285,311	81,209	-	366,520
Street lights	46,780	3,515	-	50,295
Total accumulated depreciation	<u>1,094,551</u>	<u>135,528</u>	<u>-</u>	<u>1,230,079</u>
Capital assets being depreciated, net	<u>1,700,153</u>	<u>(135,528)</u>	<u>-</u>	<u>1,564,625</u>
Capital assets, net	<u>\$ 2,316,443</u>	<u>\$ (135,528)</u>	<u>\$ -</u>	<u>\$ 2,180,915</u>

**TOWN OF SEWALL'S POINT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE F - CAPITAL ASSETS (CONTINUED)**

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

Governmental activities	
General government	\$ 8,723
Public safety	25,373
Public works	<u>101,432</u>
Total depreciation expense for governmental activities	<u><u>\$ 135,528</u></u>

**NOTE G - LITIGATION, CLAIMS, AND ASSESSMENT**

The Town is a defendant from time to time in various lawsuits arising in the normal course of business, including claims for property damages, personal injuries, and personnel practices. In the opinion of management, the ultimate outcome of these lawsuits, some of which are covered by insurance, will not have a material adverse effect on the Town's financial position.

**NOTE H – REPETITIVE FLOOD CLAIMS**

The Town entered into an agreement with the State of Florida, Division of Emergency Management to monitor project sub-grants that were approved through the Repetitive Flood Claims (RFC) competitive grant program. As of September 30, 2015, the funds expended totaled \$1,293,931. The Town received advances on certain projects, the balance of the advance as of September 30, 2015 was \$496,401.

**NOTE I – COMMITMENTS**

The Town has an inter-local with the City of Stuart for twenty-four hour fire-rescue protection, fire inspections and emergency medical services. Fire and rescue services totaled \$355,720 for the year ended September 30, 2015. The annual payment will increase by the Consumer Price Index as published by the federal Bureau of Labor Statistics each year. The following is a summary of future service payments under the inter-local agreement as of September 30, 2015:

9/30/2016	\$ 355,720
9/30/2017	355,720
9/30/2018	355,720
9/30/2019	355,720
9/30/2020	<u>355,720</u>
	<u><u>\$ 1,422,880</u></u>

**TOWN OF SEWALL'S POINT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Original Adopted Budget	Final Revised Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,442,107	\$ 1,442,107	\$ 1,469,693	\$ 27,586
Intergovernmental	344,000	344,000	469,767	125,767
Licenses and permits	261,000	261,000	258,524	(2,476)
Fines and forfeitures	18,000	18,000	24,469	6,469
Franchise fees/taxes	115,000	115,000	173,364	58,364
Investment earnings	3,000	3,000	7,797	4,797
Miscellaneous	82,000	82,000	99,753	17,753
Total revenues	<u>2,265,107</u>	<u>2,265,107</u>	<u>2,503,367</u>	<u>238,260</u>
<b>Expenditures:</b>				
General government	512,692	512,692	444,298	68,394
Public safety	1,159,016	1,159,016	1,111,091	47,925
Physical environment	825,747	1,007,247	994,758	12,489
Total expenditures	<u>2,497,455</u>	<u>2,678,955</u>	<u>2,550,147</u>	<u>128,808</u>
Excess of revenues over expenditures	(232,348)	(413,848)	<u>(46,780)</u>	<u>367,068</u>
Budget transfers	<u>232,348</u>	<u>413,848</u>		
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(46,780)	<u>\$ (46,780)</u>
Fund balance, beginning of year			<u>2,614,767</u>	
Fund balance, end of year			<u>\$ 2,567,987</u>	

Note: Budget presentation FEMA dollars are excluded. (\$1,293,931)

The accompanying notes are an integral part of this financial statement

**TOWN OF SEWALL'S POINT**  
NOTES TO THE BUDGETARY – REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
SEPTEMBER 30, 2015

**NOTE A – BUDGET AND ACTUAL COMPARISONS**

Generally Accepted Accounting Principles (GAAP) requires that the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual be prepared under the basis of accounting used in preparing the budget. As indicated in Note B to the financial statements, the accrual basis of accounting is used for budgetary purposes. As a result, revenue and expenditures reported in the budget and actual schedule do not differ from those reported on the GAAP basis.

**TOWN OF SEWALL'S POINT**  
**SCHEDULE OF DEPARTMENTAL EXPENDITURES BUDGET TO ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures:			
Town commission	\$ 1,000	\$ 500	\$ 500
Town manager/assistant	154,238	166,096	(11,858)
Town clerk	93,550	95,429	(1,879)
Building department	128,904	124,815	4,089
Public works department	544,147	589,715	(45,568)
Public safety department	1,162,616	1,111,091	51,525
Capital improvements	459,500	405,041	54,459
Town boards	135,000	57,458	77,542
	<u>\$ 2,678,955</u>	<u>\$ 2,550,145</u>	<u>\$ 128,810</u>

Note: Budget presentation FEMA dollars are excluded. (\$1,293,931)

The accompanying notes are an integral part of this financial statement

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

To the Honorable Mayor and Members of the Town Commission  
Town of Sewall's Point, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Town of Sewall's Point, Florida, as of September 30, 2015 and for the year ended September 30, 2015, which collectively comprise the Town of Sewall's Point, Florida's basic financial statements and have issued our report thereon dated April 29, 2016.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

We noted certain matters that we reported to management of Town of Sewall's Point, Florida, in a separate letter dated April 29, 2016.

## **Purpose of this Report**

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

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.

Fort Pierce, Florida

April 29, 2016

**TOWN OF SEWALL'S POINT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended September 30, 2015

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures
<b><u>FEDERAL PROGRAMS:</u></b>			
Department of Homeland Security Direct Programs Repetitive Flood Claims	97.092	12RF-4X-10-53-02-336	\$ 1,293,931
Department of Justice Bureau of Justice Assistance	16.738	2014-JAGD-MART-1-E6-052	<u>1,000</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b><u>\$ 1,294,931</u></b>

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards was prepared to include the activity of all federal of the Town of Sewall's Point and is presented on the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of general-purpose financial statements.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Honorable Mayor and Members of the Town Commission  
Town of Sewall's Point, Florida

### **Report on Compliance for Each Major Federal Program**

We have audited the compliance of the Town of Sewall's Point, Florida with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal awards programs for the year ended September 30, 2015. Town of Sewall's Point, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town of Sewall's Point, Florida's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. This standard, OMB Circular A-133, requires that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Sewall's Point, Florida's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the Town of Sewall's Point, Florida's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Town of Sewall's Point, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and for the year ended September 30, 2015.

## Report on Internal Control Over Compliance

The management of the Town of Sewall's Point, Florida is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Sewall's Point, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Sewall's Point, Florida's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.  
Fort Pierce, Florida  
April 29, 2016

TOWN OF SEWALL'S POINT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS  
YEAR ENDED SEPTEMBER 30, 2015

**I. Summary of Auditor Findings**

1. The independent certified public accountant's report expresses an unqualified opinion on the combined financial statements of the Town of Sewall's Point.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of non-compliance material to the financial statements were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal awards programs.
5. The independent certified public accountant's report on compliance for the major federal awards programs expresses an unqualified opinion.
6. There were no audit findings relative to the major federal awards programs.
7. The programs tested as major programs were as follows:

Federal Program:

Department of Homeland Security Direct Programs	
Repetitive Flood Claims	97.092

8. The threshold for distinguishing between Type A and Type B programs was \$300,000 for major federal programs.
9. The Town of Sewall's Point was determined to be a low risk auditee for federal program testing pursuant to OMB Circular A-133.

**II. Financial Statement Findings**

This section identifies the reportable conditions, material weaknesses, and instances of non-compliance related to financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

### **III. Federal Program Findings and Questioned Costs**

This section identifies the reportable conditions, material weaknesses, and instances of non-compliance, including question costs, related to the audit of major federal programs, as required to be reported by Circular A-133 section 510(A).

There were no findings related to the audit of major federal programs required to be reported by Circular A-133 section 510(A).

### **IV. Summary Schedule of Prior Audit Findings**

None.

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

To the Honorable Mayor and Members of the Town Commission  
Town of Sewall's Point, Florida

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

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

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

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

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee Hartley & Barnes, P.A.  
Fort Pierce, Florida  
April 29, 2016

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

To the Honorable Mayor and Members of the Town Commission  
Town of Sewall's Point, Florida

**Report on the Financial Statements**

We have audited the financial statements of the Town of Sewall's Point, Florida, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated April 29, 2016.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 29, 2016, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

## 2011-1: Organizational Structure

The size of the Town's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimal segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. The Town has made improvements in the area of internal control and the processes of the financial functions. These included clarifying job descriptions and responsibilities, rewriting of policy and procedures manuals, increasing segregation in fund collections, disbursements and reporting, and the use of an outside consultant. The Town has also identified other areas for improvement during the upcoming year.

We recommend that the Commission/Town Manager remain involved in the financial affairs of the Town to provide oversight and independent review functions, along with the continued efforts of the Town staff.

### Response:

It is not uncommon for a municipality our size to have limited staff. Optimal segregation of duties has been mentioned in past audits, as it is an inherent factor with limited staff.

Although our size may preclude optimal segregation of duties, we continue to assess and strengthen internal controls to the extent possible. We welcome all input from our Auditors in this regard.

### **Official Title and Legal Authority**

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

### **Financial Condition**

Section 10.554(1)(i)5.a., and 10.556(7) Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the Town of Sewall's Point has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Town of Sewall's Point did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

## **Annual Financial Report**

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

## **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted the following recommendations:

None.

## **Purpose of this Letter**

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

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.

Fort Pierce, Florida

April 29, 2016

# TOWN OF SEWALL'S POINT



**PAMELA MAC'KIE WALKER**  
Town Manager

**TO: Town of Sewall's Point Commission**  
**FROM: Pamela Mac'Kie Walker, Town Manager**  
**VIA: John Adams, CBO, Building Official**  
**SUBJECT: Agenda Item 7**  
**Ordinance No. 409**  
**Town Commission Meeting, May 24, 2016**

---

**Background:** In February of last year, the town adopted a new flood ordinance in accordance with the requirements of FEMA and FDEM. This ordinance included some Higher Regulatory Standards, not specifically required by FEMA, but which had the potential to earn the town additional points in the CRS. These collectively would result in a bigger discount for residents on their flood insurance premiums.

The use of structural fill in the V-Zone is already prohibited, but was allowed previously in the A-Zone. CRS scores up to an additional 280 points for prohibiting structural fill in the A-Zone, and at the time of the proposed new flood ordinance, we estimated that we would score approximately 80-100 points with this Higher Standard. Looking further into the new CRS manual, and applying the flood zone Impact Adjustment for this Higher Standard, we have discovered that we would only be awarded 24.6 points based on the CRS manual's new formula.

The economic impact to the cost of developing without structural fill in the A-Zone may exceed the small contribution to the town's point score, or any discount on insurance premiums. Nevertheless, the public policy considerations for sea level rise and flood protection continue.

The attached memo from the Building Official to me reflects his recommendation that there be no change at this time.

**Recommendation:** Staff seeks direction regarding the prohibition of structural fill in the A-Zone.

DAN MORRIS  
Mayor

JAMES W. CAMPO, CFP  
Vice Mayor

VINCENT N. BARILE  
Commissioner

PAUL LUGER  
Commissioner

JACQUI THURLOW-LIPPISCH  
Commissioner

# TOWN OF SEWALL'S POINT



PAMELA MAC'KIE WALKER  
Town Manager

LAKISHA Q. BURCH, CMC  
Town Clerk

TINA CIECHANOWSKI  
Chief of Police

JOHN ADAMS  
Building & Facilities Director

## INTER-OFFICE MEMORANDUM

DATE: May 19, 2016

TO: Pamela Mac'Kie Walker, Town Manager

FROM: John Adams, CBO

SUBJECT: Flood Zone / Maps, Structural Fill

The attached e-mail response from Cheryl Johnson FEMA Lead, confirms that our current (2015) FIRM **does not** include any of the most current storm surge data. The only changes included on the current FIRM are due to the more accurate method of measuring existing elevation data (LiDAR), and the change in datum from NGVD to NAVD. The storm surge data on the current maps is from the 1970's. FEMA is resuming their Risk Map Study this summer, which they started in 2011. The purpose of this study in part is to determine and delineate Coastal A Zones and LiMWAs, which I believe should exist on our FIRM, but currently do not. I am still not sure why we were forced to adopt incomplete maps and change our flood ordinance last year when FEMA knew the maps were going to be updated again so soon.

You also might know that the elevation conversions in our zones resulted in rounding of the elevations in the VE and AE Zones. Surprisingly the VE elevation was rounded down and the AE elevation in the potential LiMWA (AE-8) was rounded up. The AE-9 zone on the north end of town was effectively eliminated. What was a VE-10 NGVD Zone with a direct conversion should have had an elevation of 8.5 feet NAVD, but is now a VE-8 NAVD elevation. What was an AE-9 NGVD elevation with a direct conversion should have been a 7.5 feet elevation, but is now an AE-8 NAVD elevation. These changes seem anomalous at best to me, and need to be verified.

Fortunately FEMA is going to allow local municipalities to input their data during the Risk Map study process starting up again this summer, and incorporate it into the new preliminary FIRMS due in 2018. Hopefully the town will be able to determine based on our own flood loss data, if the maps reflect the actual risk in our community.

At this point with FEMA only now gearing up to deliver accurate flood maps that include current storm surge data, it is my opinion that **we should not** amend our current flood ordinance until we know what the impact of the new data will have on the maps. Any changes we make now may become obsolete once the current surge data is incorporated.

One South Sewall's Point Road, Sewall's Point, Florida 34996  
Town Hall (772) 287-2455 • Fax (772) 220-4765 • E-Mail: [pwalker@sewallspoint.org](mailto:pwalker@sewallspoint.org)  
Police Department (772) 781-3378 • Fax (772) 286-7669 • E-Mail: [sppd@sewallspoint.org](mailto:sppd@sewallspoint.org)

## Pamela Walker

---

**From:** Johnson, Cheryl A <cheryl.a.johnson@aecom.com>  
**Sent:** Tuesday, May 03, 2016 11:25 AM  
**To:** John Adams  
**Subject:** New Coastal Study for Sewalls Point Florida

Dear Mr. Adams,

As we discussed over the phone, a new coastal flood insurance study is being conducted for the Southeast Coast of Florida including Martin County and Sewalls Point. This study is scheduled to be released in preliminary format in 2018. As we also discussed, coastal studies are very complicated and schedules frequently change.

The Flood Insurance Rate Maps (FIRMS) for Sewalls Point that went effective in 2015 do not include an updated coastal study. Changes along the coast seen on the effective maps are due to the datum conversion from NGVD to NAVD.

If you have any additional questions please let us know.

Regards,

**Cheryl A. Johnson**, PE, CFM, PMP  
FEMA R4 Regional Service Center Lead, Compass PTS  
D +1-404-965-9700  
M +1-301-915-7527  
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**ORDINANCE NO. 409**

**AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SEWALL'S POINT, FLORIDA, AMENDING THE TOWN OF SEWALL'S POINT CODE OF ORDINANCES AT CHAPTER 50 AT SUBSECTION R322.2.1 2. TO REPEAL A TECHNICAL AMENDMENT TO THE FLORIDA BUILDING CODE PROHIBITING THE USE OF STRUCTURAL FILL IN ZONE A FLOOD HAZARD AREAS AND REINSTATING OTHER STANDARD FLORIDA BUILDING CODE PROVISIONS; PROVIDING FOR APPLICABILITY, REPEALER, CODIFICATION, SEVERABILITY, AND AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Sewall's Point, Florida is a duly constituted municipality having such power and authority conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

**WHEREAS**, the Town of Sewall's Point was accepted for participation in the National Flood Insurance Program on August 15, 1978 and the Town Commission desires to continue to meet the requirements of Title 44 Code of Federal Regulations, Sections 59 and 60, necessary for such participation; and

**WHEREAS**, section 553.73(5), Florida Statutes, allows adoption of local administrative and technical amendments to the Florida Building Code to implement the National Flood Insurance Program; and

**WHEREAS**, the Town Commission, through Ordinance No. 404 (effective date was March 16, 2015), adopted a prohibition on the use of structural fill in A Zone flood hazard areas for the purpose of gaining additional points in the National Flood Insurance Program's Community Rating System and, pursuant to section 553.73(5), Florida Statutes, formatted that more stringent provision to coordinate with the Florida Building Code; and

**WHEREAS**, the Town Commission has determined that the additional points gained by the Town as part of the Community Rating System does not justify the increase in the costs of construction in Zone A flood hazard areas caused by the prohibition of structural fill, and it wishes to repeal such prohibition; and

**WHEREAS**, the Town Commission has determined that it is in the public interest to repeal the technical amendment to the Florida Building Code prohibiting the use of structural fill in A Zone flood hazard areas that is set forth in Chapter 50 of the Code at subsection R322.2.1 2.; and

**WHEREAS**, the Town Commission, through its Town Attorney's Office, has confirmed with the Florida Department of Emergency Management (FDEM) that the Town may repeal the technical amendment through the ordinance adoption procedures set forth in sec. 166.041, Fla. Stat.; and

**WHEREAS**, during its discussions with the FDEM, the FDEM requested that, in addition to removing the prohibition of structural fill in A Zone flood hazard areas, the Town restore certain Florida Building Code language along with the previously adopted freeboard for A Zone flood hazard areas; and

**WHEREAS**, the Town Commission has determined that this ordinance furthers the

public health, safety and general welfare of the residents and citizens of the Town.

**NOW, THEREFORE, BE IT ORDAINED** BY THE TOWN COMMISSION OF THE TOWN OF SEWALL'S POINT, FLORIDA:

**SECTION 1. RECITALS.** The foregoing whereas clauses are incorporated herein by reference and made a part hereof.

**SECTION 2.** Chapter 50 of the Sewall's Point Code of Ordinances is hereby amended to restore standard Florida Building Code language including the freeboard amendment previously adopted by the Town and to repeal the technical amendment to the *Florida Building Code, Residential* that prohibited structural fill in A Zone Flood hazard areas. Chapter 50 of the Town of Sewall's Point Code of Ordinances at R322.2.1 is hereby amended to read as follows:

**R322.2.1 Elevation requirements.**

1. Buildings and structures in flood hazard areas, not designated as Coastal A Zones, not including flood hazard areas designated as V Zone, shall have the lowest floors elevated to or above the base flood elevation plus 3 feet, or the design flood elevation, whichever is higher.

~~2. The use of fill for structural support is prohibited.~~

2. Buildings and structures in flood hazard areas designated as Coastal A Zones shall have the lowest floors elevated to or above the base flood elevation plus 3 feet 4 foot (305mm), or the design flood elevation, whichever is higher.

3. ~~In areas of shallow flooding (AO Zones), buildings and structures shall have the lowest floor (including basement) elevated at least as high above the highest adjacent grade as the depth number specified in feet on the FIRM, or at least 2 feet (610mm) if a depth number is not specified.~~ Basement floors that are below grade on all sides shall be elevated to or above the base flood elevation plus 3 feet or the design flood elevation, whichever is higher.

**Exception:** Enclosed areas below the design flood elevation, including basements whose floors are not below grade on all sides, shall meet the requirements of Section R322.2.2.

**SECTION 3. Applicability.** For the purposes of jurisdictional applicability, this ordinance shall apply in the Town of Sewall's Point. This ordinance shall apply to all applications for development, including building permit applications and subdivision proposals, submitted on or after the effective date of this Ordinance.

**SECTION 4. Repeal of Laws in Conflict.** All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

**SECTION 5. Codification.** The sections of the ordinance may be made a part of the Town Code of Ordinances and may be re-numbered or re-lettered to accomplish such, and the word "ordinance" may be changed to "section," "division," or any other appropriate word.

**SECTION 6. Severability.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance, or the particular application thereof, is for any reason held invalid or unconstitutional by any court of competent jurisdiction, the remaining sections, subsections, sentences, clauses and phrases under application shall not be affected thereby.

**SECTION 7. Effective Date.** This Ordinance shall take effect immediately upon adoption.

\_\_\_\_\_ offered the Ordinance for its first, reading and moved its adoption. The motion was seconded by \_\_\_\_\_, and upon being put to a vote, the vote was:

	AYE	NAY
DAN MORRIS, MAYOR	_____	_____
JAMES W. CAMPO, VICE MAYOR	_____	_____
VINCENT N. BARILE, COMMISSIONER	_____	_____
PAUL LUGER, COMMISSIONER	_____	_____
JACQUI THURLOW-LIPPISCH, COMMISSIONER	_____	_____

Passed second reading at the Regular Meeting of the Town Commission held on the \_\_\_\_\_ day of \_\_\_\_\_, 2016. The Mayor thereupon declared this Ordinance approved and adopted by the Town Commission on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

TOWN OF SEWALL'S POINT, FLORIDA

\_\_\_\_\_  
DAN MORRIS, MAYOR

ATTEST:

Approved as to form and legal sufficiency:

\_\_\_\_\_  
Lakisha Burch, Town Clerk  
(TOWN SEAL)

\_\_\_\_\_  
Glen J. Torcivia, Town Attorney  
Florida Bar No.: 343374

# TOWN OF SEWALL'S POINT



**PAMELA MAC'KIE WALKER**  
Town Manager

**TO: Town of Sewall's Point Commission**  
**FROM: Pamela Mac'Kie Walker, Town Manager**  
**SUBJECT: Agenda Item 8**  
**Police Radios**  
**Town Commission Meeting, May 24, 2016**

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**Background:** In preparation for the upcoming budget process, staff would like to brief the Commission on the anticipated expense of the transition to new police radios.

**Recommendation:** This item is informational only and to seek input from the Commission.



# TOWN OF SEWALL'S POINT POLICE DEPARTMENT

## INTERDEPARTMENTAL MEMORANDUM

**TO:** Pamela Walker, Town Manager

**FROM:** Tina Ciechanowski, Chief of Police

**DATE:** April 19, 2016

**SUBJECT:** Capital Budget – Radio System Replacement

The Town/Police Department has been aware of the transition from the current 800 MHz radio (which was deployed in 2001-2002) system to the P25 system since 2012. Funds had been set aside for this future acquisition.

The Martin County BOCC approved the purchase of the new system and the transition has begun. Martin County provides the radio infrastructure county-wide. Individual agencies must provide their own equipment and maintenance for that equipment after the warranty period, usually via a maintenance contract.

For background purposes, there are two types of radios: “portables” which most people call “walkie-talkies,” and “mobiles,” often referred to as “car radios.” A “control station” is the radio inside the Police Department itself.

Two of our mobiles stopped working several years ago and have been replaced with a P25 radio already which can be configured to work on our current system. Our “old” mobile radios no longer had service support (cannot be repaired) and replacement is the only option. Over the years, we were informed that our portable radios would not need to be replaced, but instead “flashed,” a way of making them compatible. The cost was estimated at under \$1000 per unit. However, Motorola has chosen to no longer support the XTS portable (our current radio) after 2017. When the XTSs need repair, due to the lack of support, parts may only be available for a period of time which cannot be determined. That radio would then need to be replaced with a P25 compatible portable at that time.

The Town Manager and I met with Matt Hinckle, the radio systems administrator for the County. It is recognized that this is a very large expense, and because of that, the Mr. Hinckle has advised that the current system will work simultaneously with the new P25 system until the end of 2018. All entities must transition over by that date.

Four mobile radios and control station must be replaced. These units cannot be “flashed” and are not supported. Portables can be flashed at a cost of \$1200 each. However, the life span of those radios, which are already 15 years old, will be short term and then new portables will need to be purchased regardless. The flashing of the portables does not make any financial sense.

The final result is the Police Department needs to purchase 4 mobiles, 12 portables, 1 control station and the associated accessories such as chargers and shoulder microphones to replace the remainder of our current equipment to transition to the P25 system from Motorola.

The decision is what, when and how to purchase. The standard Motorola State Contract discount is 25%. Because of the new radio system purchase by Martin County, Motorola will discount the equipment 42% for purchases made until November 15, 2016. The total cost of the equipment if purchased before November 15, 2016 is \$54,391; after that date, the cost will rise to approximately \$63,637 if we have not flashed any radios. If we chose to flash the portables, we have spent an additional \$14,400.

Once the decision has been made as to what and when to purchase, we also have the option to enter into a lease/purchase agreement for 3-7 years for all or some of the costs. Full financing ranges from \$19,542.52 year for 3 years to \$9,097.33 for 7 years if we place our order to purchase before the November 15, 2016. I will ask for lease pricing if you wish for purchases made after November 15<sup>th</sup>, if you wish.

**Date:** April 21,2016

**To:** Sewall's Point P.D.  
Attn: Chief Ciechanowski  
1 S. Sewall's Point Road  
Sewall's Point, FL 34996

**Re:** Communications System Financing Proposal

**Motorola Solutions, Inc. is pleased to submit the following proposal for the financing of your Motorola communications equipment in accordance with the terms and conditions outlined below:**

**Transaction Type:** Municipal Lease Purchase Agreement (Tax-exempt)

**Lessor:** Motorola Solutions, Inc. (or its Assignee)

**Lessee:** Sewall's Point P.D.

**Total Transaction Value:** \$ 54,391.00

**Down Payment:** \$ 0.00

**Balance to Finance:** \$ 54,391.00

**Equipment:** APX Subscriber Equipment (As per the Motorola Solutions equipment proposal.)

**Title:** Title to the equipment will vest with the Lessee.

**Insurance:** Lessee will be responsible to insure the equipment as outlined in the lease contract.

**Taxes:** Personal property, sales, leasing, use, stamp, or other taxes are for the account of the Lessee.

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>
<b><i>Lease Term</i></b>	3 Years	4 Years	5 Years	7 Years
<b><i>Payment Type</i></b>	Annually Arrears	Annually Arrears	Annually Arrears	Annually Arrears
<b><i>Lease Rate</i></b>	3.78%	3.81%	3.97%	4.03%
<b><i>Lease Factor</i></b>	0.359297	0.274693	0.224899	0.167258
<b><i>Payment</i></b>	\$19,542.52	\$14,940.83	\$12,232.48	\$9,097.33
<b><i>Payment Commencement</i></b>	First payment due one year after contract execution	First payment due one year after contract execution	First payment due one year after contract execution	First payment due one year after contract execution

**Expiration:** The above lease rates and factors are valid for all leases commenced by 5/21/2016. After this date the rate will be reset to reflect current market conditions.

**Program Highlights:** Terms up to seven years can be structured for Municipal Lease Purchase Agreement (Tax-exempt).  
 One hundred percent (100%) of a project's acquisition cost can be financed.  
 Payment frequency can be matched to meet your cash flow and budget requirements.  
 No pre-payment penalties.  
 Future equipment upgrades can easily be accommodated via add-on lease schedules, restructuring already existing deals, etc.

**Qualifications:** Receipt of a properly executed documentation package.

Lessee qualifies as a political subdivision or agency of the State as defined in the Internal Revenue Code of 1986. The interest portion of the Lease Payments shall be excludable from the Lessor's gross income pursuant to Section 103 of the Internal Revenue Code.

Receipt of a copy of the last 2 year's audited financial statements and current year's budget from the Lessee.

This proposal should not be construed as a commitment to finance. It is subject to final credit approval.

**Documentation:**

Municipal Equipment Lease Purchase Agreement  
Opinion of Counsel  
Schedule A/Equipment List  
Schedule B/Amortization Schedule  
8038G  
UCC-1  
Certificate of Incumbency  
Statement of Essential Use/Source of Funds  
Evidence of Insurance or Statement of Self Insurance  
Resolution from governing body authorizing the execution of the Lease  
Delivery & Acceptance Certificate

Please feel free to contact me if there are any questions, or if an alternate structuring is required.

Regards,  
Chas Elliott  
Motorola M.R.  
+1 (863) 381-0504



**SEWALL'S POINT POLICE DEPARTMENT - APX RADIOS**

Qty.	Model	Description	Unit Price	Extended
12	H98UCF9PW6 N	<b>APX6000 700/800 MODEL 2.5 PORTABLE</b>	\$3,721.25	\$44,655.00
	Q806	ADD: ASTRO DIGITAL CAI OPERATION		
	H38	ADD: SMARTZONE OPERATION		
	Q361	ADD: P25 9600 BAUD TRUNKING		
	G996	ADD: PROGRAMMING OVER P25 (OTAP)		
	H885BK	ENH: 2 YEAR REPAIR SERVICE ADVANTAGE		
	QA01837AA	ALT: LIION IMPRES IP67 2900MAH (NNTN7038) PROGRAM		
4	M25URS9PW1AN	<b>APX6500 DIGITAL MOBILE RADIO - DASH MOUNT</b>	\$4,101.75	\$16,407.00
	G806BE	ENH: ASTRO DIGITAL CAI OP APX		
	W22BA	ADD: PALM MICROPHONE		
	G442AJ	ADD: APX O5 CONTROL HEAD		
	G66AM	ADD: DASH MOUNT O5		
	G444AE	ADD: CONTROL HEAD SOFTWARE		
	G174AD	ADD: ANT 3DB LOW-PROFILE 762-870		
	G24AX	ENH: 2 YEAR REPAIR SERVICE ADVANTAGE		
	G831AD	ADD: SPKR 15W WATER RESISTANT		
	G361AH	ADD: P25 TRUNKING SOFTWARE		
	G51AU	ENH: SMARTZONE OPERATION APX6500		
	G996AS	ADD: PROGRAMMING OVER P25 (OTAP) PROGRAM & INSTALL		
1	M22URS9PW1AN	<b>APX4500 DIGITAL MOBILE RADIO - CONTROL STATION</b>	\$3,567.75	\$3,567.75
	G24AX	ENH: 2 YEAR REPAIR SERVICE ADVANTAGE		
	QA02756AD	ADD: 3600 OR 9600 TRUNKING BAUD SINGLE SYSTEM		
	G91AE	ADD: CONTROL STATION POWER SUPPLY		
	W665BJ	ADD: BASE STATION TRAY		
	G66AW	ADD: DASH MOUNT O2		
	W382AM	ADD: CONTROL STATION DESK GCAI MIC		
	GA00804AA	ADD: APX O2 CONTROL HEAD		
	G444AH	ADD: APX CONTROL HEAD SOFTWARE		
	G142AD	ADD: NO SPEAKER NEEDED		
	G996BD	ADD: PROGRAMMING OVER P25 (OTAP) PROGRAM & INSTALL		
10	WPLN7080A	<b>APX6000 IMPRES SINGLE UNIT DESKTOP CHARGER</b>	\$96.25	\$962.50
12	NMN6274A	<b>APX XP REMOTE SPEAKER MIC W/ AUDIO JACK</b>	\$283.75	\$3,404.94
12	RLN4941A	<b>RECEIVE ONLY EARPIECE - CLEAR TRANSLUCENT TUBE</b>	\$44.66	\$535.92
1	PROMO	<b>VOLUME PURCHASE INCENTIVE &amp; RADIO TRADE-IN</b>	(\$15,142.11)	(\$15,142.11)
		<i>(Valid for orders placed by 11/15/16 and shipped by 12/31/16 per Martin County P25 Contract)</i>		
<b>SEWALL'S POINT POLICE DEPARTMENT TOTAL</b>				<b>\$54,391.00</b>

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