CITY COUNCIL
ZEPHYRHILLS, FLORIDA

Monday, May 12, 2025
6:00 PM

Please join the GoToMeeting
from your computer, tablet or smartphone:
https://meet.goto.com/855960693
or dial in using your phone:
+1 (646) 749-3122- Access Code: 855-960-693
(Please mute your phone unless you wish to speak on a specific item)

Zephyrhills Public Library **Meeting Room**

Call to Order — Council President Charles E. Proctor
Roll Call — City Clerk Ricardo Quiñones
Invocation — Brody Bishop, Youth Council Member
Pledge of Allegiance —

CITIZEN COMMENTS

MAYOR

1 Youth Council Update

1. CONSENT ITEMS
   - 1.1 Approval of Budget Visioning Workshop Minutes - April 14, 2025
     1. M04.14.2025 Budget Visioning Workshop
   - 1.2 Approval of City Council Meeting Minutes - April 28, 2025
     1. M04.28.2025

1.3 Appointment of New Library Advisory Board Member

1.4 Approval of Agreement 41-25-11 to Increase Step Pay - Detective Steven Walker

1. 33177003v1 - AGREEMENT TO INCREASE STEP PAY OF ZEPHYRHILLS POLICE DEPARTMENT DETECTIVE STEVEN WALKER

1.5 Approval of Agreement 41-25-12 to Increase Step Pay - Officer Johnathan Arocho

1. 33177122v1 - AGREEMENT TO INCREASE STEP PAY OF ZEPHYRHILLS POLICE DEPARTMENT OFFICER JOHNATHAN AROCHO

1.6 Approval of Utility Agreement 45-25-10 for 37710 Perth Drive Zephyrhills FL 33541

1. SKM_C650i25050607420

1.7 Approval of Utility Agreement 45-25-11 for 38317 Vinson Ave Zephyrhills FL 33542

1. 45-25-11 Utility Agreement for 38317 Vinson Ave Zephyrhills FL 33542

1.8 Approval of Utility Agreement 45-25-12 for 4406 Plum Street Zephyrhills FL 33542

1. 45-25-12 Utility Agreement for 4406 Plum Street Zephyrhills FL 33542

1.9 Approval of Utility Agreement 45-25-13 for 4410 Plum Street Zephyrhills FL 33542

1. 45-25-13 Utility Agreement for 4410 Plum Street Zephyrhills FL 33542

1.10 AMENDMENT 3 TO LOAN AGREEMENT WW510531 with FDEP - *64-20-01*

1. Zephyrhills WW510531 A3 - comp date ext

2. FINANCE DIRECTOR'S REPORT

2.1 Audit Report

1. City of Zephyrhills-2024 Audit Presentation
2. Audit Report CITY OF ZHILLS FINAL

2.2 Budget Adjustment for Building Department Scanning Project

3. BUSINESS ITEMS

3.1 Community Development Block Grant 2nd Public Hearing - Neighborhood Revitalization

1. 2nd PH Handout - Neighborhood Revitalization

3.2 Community Development Block Grant 2nd Public Hearing - Commercial Revitalization

1. 2nd PH Handout - Commercial Revitalization

3.3 Amended City Permit and Safety Fee Schedule
RESOLUTION 852-25 " A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ZEPHYRHILLS, FLORIDA, AMENDING THE PERMIT AND SAFETY FEE SCHEDULE. "

1. Resolution 852-25 - Permit and Safety Fee Schedule(33250272.1)
2. Redline - Permit and Safety Fee Schedule(33250379.1)

4. PLANNING DIRECTOR'S REPORT

4.1 Tree Ordinance Discussion

5. CITY MANAGER'S REPORT

5.1 Chicken Ordinance - Discussion

5.2 Tennis Center Agreement 37-25-05 - Indoor Facility

1. Amended and Restated MTCZ SVB Management Agreement(33250989.1)

MAYOR ANNOUNCEMENTS

CITY MANAGER ANNOUNCEMENTS

CITY ATTORNEY ANNOUNCEMENTS

CITY COUNCIL COMMENTS

6. NOTED ITEMS

6.1 RCM Utilities, Manhole rehabilitation

1. RCM Manholes 4-23-23

ADJOURN

*** PLEASE NOTE: This is a Public Meeting. Should any interested party seek to appeal any decision made by the Council with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based. F.S. 286.0105. If you are a person with a disability which requires reasonable accommodation in order to participate in this meeting, please contact the City Clerk at 813/780-0000 at least 48 hours prior to the public hearing. A.D.A. and F.S. 286.26.**

City Council Meeting
May 12, 2025

Information Only

CONSENT ITEMS 1.1

Approval of Budget Visioning Workshop Minutes - April 14, 2025

Issue:
The City of Zephyrhills City Council held a Budget Visioning Workshop on April 14, 2025.

Background:
Minutes from that workshop were prepared and are presented for the Council's review and approval.

Attachment(s):

1. M04.14.2025 Budget Visioning Workshop

Fiscal Impact:
N/A

Staff Recommendation:
Staff Recommends approval.

Budget Visioning Workshop

A Budget Visioning Workshop was held on April 14, 2025 at 7:00 PM in the Council Chambers of City Hall and Via GoToMeeting (646) 749-3122 - Access Code: 855-960-693. Council President Charles E. Proctor called the meeting to order at 7:31 PM.

Roll call was taken. Present were members Lance Smith, Kenneth Burgess, Charles Proctor, Jodi Wilkeson, Steven Spina and Mayor Melonie Bahr Monson. City Manager William Poe was also present. City Attorney Matthew Maggard was not present.

Staff present: Chief of Police Derek Brewer, Public Works Director Shane LeBlanc, Planning Director Todd Vande Berg, Utilities Director John Bostic Ill, CRA Director Gail Hamilton, HR & Risk Management Director Sandra Amerson, IT Director Mike Panak, Airport Manager Nathan Coleman, Finance Director Ted Beason, Building Official Kalvin Switzer, Public Information Officer Kevin Weiss and City Clerk Ricardo Quiñones.

1. WORKSHOP ITEMS

City Manager William Poe said the purpose of the workshop is to gather City Council input for the development of the Fiscal Year 2025—2026 budget.
Council discussed capital improvement priorities, staffing needs, and potential policy initiatives.

Stormwater and Drainage Improvements:

- All members stressed the need for investment in stormwater infrastructure.
- Staff confirmed work is underway to implement a stormwater utility fee to fund drainage projects and support grant matching.
- Council discussed integrating lessons learned from Hurricane Milton and past studies.

In-House Civil Engineer:

- Multiple members supported hiring a full-time civil engineer to reduce consultant reliance, support plan reviews, and save costs long-term.
- The position could be shared between departments and partially offset through developer plan review fees.

Park Enhancements:

- Proposals included:
- Picnic pavilions at Ellis Herrell and Veterans Parks.
- Landscaping and shaded seating at Gunner Dog Park.
- Establishing a second dog park, potentially using existing lift station sites.
- General support for hiring a Director of Parks and Recreation to manage growing responsibilities.

Zephyr Park Redevelopment:

- Consensus to begin phased implementation of improvements after years of planning. - Identified as a key site for potential community or cultural center development.

Community/Event Center:

- Mayor and council emphasized the need for an indoor facility for youth, seniors, and community events.
- Discussed retrofitting options (e.g., Alice Hall, Depot, historic church building).
- Suggested exploring design ideas and models from other cities.

Sewer Infrastructure Expansion:

- Council prioritized beginning design for sewer expansion in the Sixth Avenue, Otis Moody, and Airport Road areas.
- Staff confirmed a May 13 funding request will be submitted to Pasco County.

Transportation and Sidewalks:

- Interest in progressing "hot spot" traffic improvements and evaluating turn lane needs.
- Members supported continued investment in sidewalk construction.

Trail System Development:

- Suggested developing a multi-year phased plan for trail construction, in coordination with Planning and Public Works.

Hybrid Work Models:

- Council asked HR to evaluate and pilot remote/hybrid work arrangements to improve recruitment and retention.

Developer Accountability:

- Council expressed concerns about enforcement and oversight of developer commitments.
- Requested the City review its bond process and ensure proper follow-up on project completion.

Housing and Zoning Updates:

- Request made for an update on active and pending R-4 zoned housing developments.
- Concern raised over long-term impact of continued residential development and moratorium implications.

CITIZEN COMMENTS - NONE

ADJOURN 8:02 PM

Submitted by Ricardo Quiñones

Information Only

CONSENT ITEMS 1.2

Approval of City Council Meeting Minutes - April 28, 2025

Issue:
The City of Zephyrhills City Council held a regular meeting on April 28, 2025.

Background:
Minutes from that meeting were prepared and are presented for the Council's review and approval.

Attachment(s):

1. M04.28.2025

Fiscal Impact:
N/A

Staff Recommendation:
Staff Recommends approval.

REGULAR CITY COUNCIL MEETING

A Regular City Council Meeting was held on April 28, 2025 at 5:30 PM in the Council Chambers of City Hall and Via GoToMeeting (646) 749-3122 - Access Code: 855-960-693. Council President Charles E. Proctor called the meeting to order at 5:45 PM

Roll call was taken. Present were members Lance Smith, Ken Burgess, Charles Proctor, Steven Spina and Mayor Melonie Bahr Monson. City Manager William Poe and City Attorney Matthew Maggard were also present. Jodi Wilkeson arrived at 6:04 PM.

Staff present: Chief of Police Derek Brewer, Public Works Director Shane LeBlanc, Planning Director Todd Vande Berg, Utilities Director John Bostic Ill, CRA Director Gail Hamilton, HR & Risk Management Director Sandra Amerson, IT Director Mike Panak, Airport Manager Nathan Coleman, Finance Director Ted Beason, Public Information Officer Kevin Weiss, Building Official Kalvin Switzer, Principal Planner Rodney Corriveau, GIS/Community Planner Tommy-Lee Hunt, Water Treatment Plant Operator A Eric Martin, Code Specialist Jackie Boges, Officer Healy, Officer Tripplett, Officer Stephens and City Clerk Ricardo Quiñones.

The Invocation was led by Jackie Boges, Senior Code Specialist

The Pledge of Allegiance followed.

CITIZEN COMMENTS

Phyllis Pervis - 8618 Gall Boulevard - raised multiple concerns:

-Delay in processing her commercial zoning request.

-Perception of unequal treatment of landowners.

-Issues related to abandoned and neglected properties near Lowe 's and Publix.

-Concerns about flooding caused by DR Horton's development and construction near her family's property.

-Requested a more realistic and efficient approach to meetings, preferably via Zoom for elderly and distant family members.

Planning Director Todd Vandenberg confirmed plans for a new future land use element and committed to expediting the timeline and engagmg property owners, including virtual meetings. Mr. Vande Berg then explained the steps ahead, including planning meetings, PUD applications, and state review.

Vicky Wiggins - East Pasco Chamber of Commerce - provided community announcements:

-Advent Health ribbon cutting on May 7.

-Business breakfast on May 8th featuring disaster recovery funding discussion.

-Ribbon cutting for SNR Services on May 9th.

-Annual celebration scheduled for August 28, 2025.

MAYOR

1. Proclamation Hospital Week 2025

Mayor Monson proclaimed May 11—17, 2025 as Hospital Week in Zephyrhills in honor of Advent Health Zephyrhills. Representatives from the hospital accepted the recognition and expressed appreciation.

2. Homelessness Update

Chief Brewer presented updates on the City's Homelessness Response, including both law enforcement and nonprofit coordination through CHIPZ. Since forming in 2023 the ZPD's Community Response Team has processed - 218 service calls, 177 contacts, 12 long-term placements, 15 Baker Acts, 22 arrests, 79 citations and 33 camp disbandment’s affecting 197 individuals. CHIPZ has distributed about S23 ,000 in aid and employed a part-time social worker named Kathy McKenzie.

Kathy McKenzie shared efforts in connecting individuals to services and the personal story of successful client rehabilitation. Ms. McKenzie emphasized the importance of compassion and early intervention.

Discussion by Council included recognition of the community policing approach, support for expanding the program including potentially increasing staff and acknowledgment of public misconceptions about homelessness and the need for education.

3. CPH - Explanation of Extra Work for City Complex

Representatives from CPH and AD Morgan presented a phased overview of the City Yard Complex project and timeline of events. Council questioned early on how and why the budget spiked from S 19 million to S28 million. CPH explained that soft costs were not factored into the original bid. [Soft costs are expenses that are not directly related to the physical building, such as design fees, permits, and inspections.]

Council expressed disappointment at the differential cost. Consensus was reached to move forward with completing the designs at 100%, then review the budget and decide if the City Yard Complex can be built out all at once or if the project needs to be phased out over time. Staff to meet with CPH and AD Morgan to make a plan.

1. **CONSENT ITEMS**

1.1 Approval of City Council Meeting Minutes - April 14, 2025

1.2 Jacob's Scope & Fee - Construction Services Runway 01-19

1.3 Jacob's Scope & Fee - Construction Services Taxiway F

1.4 Approval of the Final Change Order #4 to FDC for the WWTP Advanced Wastewater Treatment (AWT) upgrades

1.5 Approval of Gilliam Construction LLC Agreement 25-25-05 - 6th Avenue Stormwater Improvements

1.6 Approval of Utility Agreement 45-25-09 for 3825 Fir Ave Zephyrhills FL 33542

Steven Spina motioned to approve consent items as presented. Seconded by Kenneth Burgess. Motion Passed, 5-0.

2. **BUSINESS ITEMS**

2.1 COMP PLAN Update - Transportation Element

Second **Reading Ordinance 1497-24. "AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA (THE "CITY"), RELATING TO THE COMPREHENSIVE PLAN (THE "PLAN") IN ACCORDANCE WITH CHAPTER 163, PART 11, FLORIDA STATUTES; REPEALING AND REPLACING THE PLAN'S TRANSPORTATION ELEMENT; PROVIDING AUTHORITY; PROVIDING PURPOSE AND INTENT; PROVIDING FOR ADOPTION OF AMENDMENTS TO CERTAIN ELEMENTS OF THE COMPREHENSIVE PLAN; REPEALING ANY CONFLICTING PROVISIONS; PROVIDING FOR NON-SUBSTANTIVE MODIFICATIONS THAT MAY ARISE AT PUBLIC HEARING OR CORRECTION OF SCRIVENER'S ERRORS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE."**

City Attorney Matthew Maggard read Ordinance 1497-24 by title.

Planning Director Todd Vande Berg explained that redoing the second reading was necessary due to a missed timing on summiting to Florida State.

City Manager William Poe asked that all the information that was provided in the original second hearing be brought to this hearing.

** From December 9, 2024 City Council meeting item 3.1 - *" Planning Director Todd Vande Berg explained Transportation Element was updated to reflect multimodal improvements and community input. Mr. Vande Berg emphasized integrating citizen feedback and state funding for future projects. Discussion followed, including road configurations, bypass loops, and long-term impacts on local traffic and businesses. "* **

Lance Smith motioned to approve Ordinance No. 1474-24 on the Second Reading based on the carried over information. Seconded by Jodi Wilkeson. Motion Passed, 5-0.

2.2 Airport Rates and Fees

RESOLUTION 850-25 "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING THE SCHEDULE OF FEES FOR THE RENTAL OF HANGARS AND OTHER FEES CONNECTED TO AVIATION AND NON-AVIATION SERVICES AT THE ZEPHYRHILLS MUNICIPAL AIRPORT. '

City Attorney Matthew Maggard read RESOLUTION NO. 850-25 by title.

Airport Manager Nathan Coleman presented proposed fee updates, including nine increases, two changes, and two new fees, all detailed in the meeting packet. Discussion followed.

Lance Smith motioned to approve RESOLUTION NO. 850-25. Seconded by Steven Spina. Motion Passed, 5-0.

2.3 Municipal Association of Pasco (MAP) Meeting May 01, 2025 - Saint Leo

RESOLUTION NO. 851-25 - " A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA, AUTHORIZING THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS TO PARTICIPATE IN A JOINT MEETING OF THE MUNICIPAL ASSOCIATION OF PASCO TO DISCUSS MATTERS OF MUTUAL INTEREST; AND PROVIDING FOR AN EFFECTIVE DATE. "

City Attorney Matthew Maggard read RESOLUTION NO. by title.

Mr. Maggard explained this resolution allows Council to attend the MAP meeting on May l, 2025 at St. Leo.

Lance Smith motioned to approve RESOLUTION NO. 851-25. Seconded by Jodi Wilkeson Motion Passed, 5-0.

3. Utility Director's Report

3.1 Approval of Change Order #1, South 301 Water and Sewer Project

Utilities Director John Bostic presented a request for approval of Change Order #1 to US Water in the amount of $l34,516.56 for additional work, including installing air release valves, a fire hydrant, a tree removal, and a horizontal directional drill under U.S. 301. The change also adds 19 days to the project timeline and results in no net budget impact due to offsetting savings from a separate contractor.

Lance Smith motioned to approve the Change Order for the South 301 Water and Sewer Project. Seconded by Jodi Wilkeson. Motion Passed, 5-0.

4. FINANCE DIRECTOR'S REPORT

4.1 Budget Adjustment and Agreement 37-24-14 - Carlisle Thompson, LLC - FEMA Public Assistance Grant Management Support Services

Finance Director Ted Beason requested to increase the payment to Carlisle Thompson from $60,000 to $100,000 to assist in finalizing FEMA claims related to Hurricane Milton, with approximately $3 million in storm-related expenses being submitted for reimbursement. The funds will be reallocated from reserves, with $262,000 remaining in the contingency reserve.

Steven Spina motioned to approve the budget adjustment and agreement 37-24-14for Carlisle Thompson, LLC. Seconded by Kenneth Burgess. Motion Passed, 5-0.

5. CITY MANAGER'S REPORT

5.1 ZEDC Quarterly Update

Dr. Randy Stovall updated Council on the Chamber of Commerce for the first quarter of 2025. His report included new businesses that are in Zephyrhills, collaborations with Career Source and Amskills to bring job training to our area. Redesigning the Chambers webpage and continued education for the CEO Vicki Wiggins. Dr. Stovall said that the groundbreaking ceremony for Bauducco went very well, and they are working with companies Tibbets Lumber and MiTek on their groundbreaking ceremonies.

MAYOR ANNOUNCEMENTS - NONE

CITY MANAGER ANNOUNCEMENTS

City Manager William Poe reported speaking to the Silver Oaks HOA about stormwater issues and updated them on City and County plans. He also noted the success of the Police Department's recent town hall meeting. Mr. Poe reminded Council of the Pasco County CDBG-DR meeting on May 13 at 6:00 PM at the train depot, and the Tibbett's groundbreaking on the same day at 10:00 AM, along with the upcoming MAP meeting on Thursday evening.

CITY ATTORNEY ANNOUNCEMENTS - NONE

CITY COUNCIL COMMENTS

Lance Smith - Clarified Dias construction begins 4/29/2025 and we'll be back in Council Chambers for June 12, 2025 meeting.

Jodi Wilkeson - Thanked those who attended the Main Street Zephyrhills Market and Music event, noting that while turnout was lower than expected, attendees enjoyed themselves and funds were raised for the marquee restoration project. She also mentioned ongoing discussions with the executive committee about preparing a City update like the Chamber of Commerce format.

Steven Spina - NONE

Kenneth Burgess - NONE

Charles Proctor - NONE

6. **NOTED ITEMS**

   6.1 March 2025 Quarterly Investment Report

ADJOURN 8:02 PM

Submitted by Ricardo Quiñones

City Council Meeting
May 12, 2025

Action Item

CONSENT ITEMS 1.3

Appointment of New Library Advisory Board Member

Issue:
Former member, Nicole Purcell, resigned from the board on April 10, 2025. Request the replacement board member's term to start immediately through June 2028.

Background:
Brian Rubright, JD has been a City of Zephyrhills resident since 2018. He is currently a middle school teacher in Hillsborough County. He was born in Michigan, lived in Ohio, and moved to Florida beginning in 6th grade. He continued his education at FSU and received his Juris Doctor degree at Western Michigan University's Rivervew Campus. His wife works as a Registered Nurse at Advent Health Zephyrhills, and she was a former Sgt at Zephyhills Correctional Institute. He is a Master Mason at Zephyr Lodge 198, a Shriner at Egypt Shriners, and a Knight Templer in the York Rite. He volunteers as a Guardian ad Litem and Educational Surrogate and has a desire to see Zephyrhills grow in the future. He would like to continue to give back to the community through service on the Library Advisory Board.

Attachment(s):
None

Fiscal Impact:
No fiscal impact

Staff Recommendation:
It is recommended that Brian be approved as a member of the Library Advisory Board.

City Council Meeting
May 12, 2025

Action Item

CONSENT ITEMS 1.4

Approval of Agreement 41-25-11 to Increase Step Pay - Detective Steven Walker

Issue:

Detective Walker was hired prior to the effective date of the MOU dated April 24, 2023, which allowed officers to start at STEP 2 of the pay scale if they come to ZPD with 3 years of prior law enforcement experience.

Background:

The City and FOP approved a memorandum of understanding in April 2023 which, at the City's discretion, is for newly hired officers with a minimum of three (3) years prior law enforcement experience to be started at a pay rate up to STEP 2. The agreement did not include an officer that was hired prior to April 24, 2023. Detective Walker was hired on April 25, 2022, and was not afforded the additional step in starting pay.

Attachment(s):

1. 33177003v1 - AGREEMENT TO INCREASE STEP PAY OF ZEPHYRHILLS POLICE DEPARTMENT DETECTIVE STEVEN WALKER

Fiscal Impact:

The anticipated impact on the FY25 budget is $2,500.

Staff Recommendation:

Staff recommends approval of the agreement as presented.

AGREEMENT TO INCREASE STEP PAY OF ZEPHYRHILLS POLICE DEPARTMENT DETECTIVE STEVEN WALKER

This Agreement is adopted following full execution of the Parties which occurred at a public meeting on __________________ (the "Effective Date"), by and between the City of Zephyrhills, the Florida State Lodge Fraternal Order of Inc. Lodge # 29, and Steven Walker.

Whereas, the Zephyrhills Police Department ("ZPD") is a law enforcement agency that is a department of the City of Zephyrhills; and

Whereas, ZPD entered into a collective bargaining agreement with the Florida State Lodge Fraternal Order of Inc. Lodge # 29 ("FOP") in October 2024 ("CBA") for the purpose of establishing collectively-bargained protocols regarding the rates of pay, hours of work, and other conditions of employment of its full-time sworn law enforcement police officers, detectives, K-9s, and SROs within the bargaining unit; and

Whereas, Steven Walker ("Detective Walker") is currently employed by ZPD as a full time sworn detective, meets the definition of "law enforcement officer" as defined by FS 943.10(1), and is a member of the CBA's FOP bargaining unit; and

Whereas, the CBA codified pay steps for certain members of the FOP bargaining unit when it was adopted in October 2024 that did not apply to Detective Walker's specific employment circumstances resulting in an outcome for Detective Walker that is deemed inequitable by the City of Zephyrhills, FOP, and Detective Walker given the length of Detective Walker's past service with ZPD and the CBA's application to other FOP bargaining unit members; and

Whereas, the City of Zephyrhills, FOP, and Detective Walker (individually each a "Party" and collectively, the "Parties") endeavor to enter this Agreement in order to rectify what each Party believes to be an inequitable outcome for Detective Walker regarding the amount of his base salary by virtue of how the CBA was entered and how it pertained to Detective Walker given his specific length of service to ZPD.

Therefore, in exchange for the mutual covenants contained herein, which the Parties mutually agree are supported by adequate consideration, and while accepting the above representations as true, the parties agree as follows:

1. The City of Zephyrhills shall increase Detective Walker's base salary from Step 3 of Article 28, Section I.F. of the CBA ($61,379.16) to Step 5 of the same CBA subsection. ($66,542.68). This increase in compensation shall become effective on the first full pay period following full execution of this Agreement in the manner required by law. Detective Walker shall be paid this increased base salary within the City of Zephyrhills's normal payroll practices.

2. Thereafter, Detective Walker shall be entitled to the same sequential increase of steps from his existing step at that time and other related compensation moving forward on

his employment anniversary date as other members of the FOP bargaining unit in the manner outlined by Article 28, Section I.F. of the CBA.

3. Detective Walker acknowledges that he is not entitled to this step increase under the CBA or otherwise, the step increase is undertaken by the City of Zephyrhills to ameliorate a perceived inequitable outcome based on the adoption of the CBA that left Detective Walker and one other officer out of the collectively-bargained step increase protocol, upon receipt of compensation as a result of such step increases he will be paid more than he is otherwise entitled to for work and services performed, and he has otherwise been paid in full for all work and services performed to date.

4. FOP acknowledges that it is in agreement with the City of Zephyrhills entering into this Agreement with a member of the FOP bargaining unit and further acknowledges that the terms of this Agreement do not serve as a precedent or create any entitlements to FOP bargaining unit members or any other third parties that do not otherwise exist.

5. In consideration of the covenants contained herein, Detective Walker fully releases and forever discharges the City of Zephyrhills, ZPD, and all individuals and agents of either such entity from any and all liability, damages, causes of action, claims, challenges, suits, fees (including attorneys' fees), expenses, judgments, debts, or other legal exposure regardless of type whatsoever related directly or indirectly to Detective Walker's employment with the City of Zephyrhills or his relationship with ZPD from the beginning of time through the date of full execution of this agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

City of Zephyrhills:

By:

____

City Council President

Date: ___________________________________

Approved as to Form and Legal Content
by Matthew, E. Maggard
of Shumaker, Loop & Kendrick, LLP
City Attorney, City of Zephyrhills
Signed: M. Maggard
Date: April 30, 2025

Florida State Lodge Fraternal Order of Inc.
Lodge # 29

By:

____
William Lawless
Date: _________________________________

Detective Steven Walker

By:

____
Det. Steven Walker, ZPD
Date: _________________________________

City Council Meeting
May 12, 2025

Action Item

CONSENT ITEMS 1.5

Approval of Agreement 41-25-12 to Increase Step Pay - Officer Johnathan Arocho

Issue:

Officer Arocho was hired prior to the effective date of the MOU dated April 24, 2023, which allowed officers to start at STEP 2 of the pay scale if they come to ZPD with 3 years of prior law enforcement experience.

Background:

The City and FOP approved a memorandum of understanding in April 2023 which, at the City's discretion, is for newly hired officers with a minimum of three (3) years prior law enforcement experience to be started at a pay rate up to STEP 2. The agreement did not include an officer that was hired prior to April 24, 2023. Officer Arocho was hired on January 9, 2023, and was not afforded the additional step in starting pay.

Attachment(s):

1. 33177122v1 - AGREEMENT TO INCREASE STEP PAY OF ZEPHYRHILLS POLICE DEPARTMENT OFFICER JOHNATHAN AROCHO

Fiscal Impact:

The anticipated impact on the FY25 budget is $2,500.

Staff Recommendation:

Staff recommends approval of the agreement as presented.

AGREEMENT TO INCREASE STEP PAY OF ZEPHYRHILLS POLICE DEPARTMENT OFFICER JOHNATHAN AROCHO

This Agreement is adopted following full execution of the Parties which occurred at a public meeting on __________________ (the "Effective Date"), by and between the City of Zephyrhills, the Florida State Lodge Fraternal Order of Inc. Lodge # 29, and Johnathan Arocho.

Whereas, the Zephyrhills Police Department ("ZPD") is a law enforcement agency that is a department of the City of Zephyrhills; and

Whereas, ZPD entered into a collective bargaining agreement with the Florida State Lodge Fraternal Order of Inc. Lodge # 29 ("FOP") in October 2024 ("CBA") for the purpose of establishing collectively-bargained protocols regarding the rates of pay, hours of work, and other conditions of employment of its full-time sworn law enforcement police officers, detectives, K-9s, and SROs within the bargaining unit; and

Whereas, Johnathan Arocho ("Officer Arocho") is currently employed by ZPD as a full time sworn law enforcement police officer, meets the definition of "law enforcement officer" as defined by FS 943.10(1), and is a member of the CBA's FOP bargaining unit; and

Whereas, the CBA codified pay steps for certain members of the FOP bargaining unit when it was adopted in October 2024 that did not apply to Officer Arocho's specific employment circumstances resulting in an outcome for Officer Arocho that is deemed inequitable by the City of Zephyrhills, FOP, and Officer Arocho given the length of Officer Arocho's past service with ZPD and the CBA's application to other FOP bargaining unit members; and

Whereas, the City of Zephyrhills, FOP, and Officer Arocho (individually each a "Party" and collectively, the "Parties") endeavor to enter this Agreement in order to rectify what each Party believes to be an inequitable outcome for Officer Arocho regarding the amount of his base salary by virtue of how the CBA was entered and how it pertained to Officer Arocho given his specific length of service to ZPD.

Therefore, in exchange for the mutual covenants contained herein, which the Parties mutually agree are supported by adequate consideration, and while accepting the above representations as true, the parties agree as follows:

1. The City of Zephyrhills shall increase Officer Arocho's base salary from Step 2 of Article 28, Section I.F. of the CBA ($59,447.13) to Step 4 of the same CBA subsection. ($64,448.12). This increase in compensation shall become effective on the first full pay period following full execution of this Agreement in the manner required by law. Officer Arocho shall be paid this increased base salary within the City of Zephyrhills's normal payroll practices.

2. Thereafter, Officer Arocho shall be entitled to the same sequential increase of steps from his existing step at that time and other related compensation moving forward on

his employment anniversary date as other members of the FOP bargaining unit in the manner outlined by Article 28, Section I.F. of the CBA.

3. Officer Arocho acknowledges that he is not entitled to this step increase under the CBA or otherwise, the step increase is undertaken by the City of Zephyrhills to ameliorate a perceived inequitable outcome based on the adoption of the CBA that left Officer Arocho and one other detective out of the collectively-bargained step increase protocol, upon receipt of compensation as a result of such step increases he will be paid more than he is otherwise entitled to for work and services performed, and he has otherwise been paid in full for all work and services performed to date.

4. FOP acknowledges that it is in agreement with the City of Zephyrhills entering into this Agreement with a member of the FOP bargaining unit and further acknowledges that the terms of this Agreement do not serve as a precedent or create any entitlements to FOP bargaining unit members or any other third parties that do not otherwise exist.

5. In consideration of the covenants contained herein, Officer Arocho fully releases and forever discharges the City of Zephyrhills, ZPD, and all individuals and agents of either such entity from any and all liability, damages, causes of action, claims, challenges, suits, fees (including attorneys' fees), expenses, judgments, debts, or other legal exposure regardless of type whatsoever related directly or indirectly to Officer Arocho's employment with the City of Zephyrhills or his relationship with ZPD from the beginning of time through the date of full execution of this agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

City of Zephyrhills:

By:

____
City Council President
Date: ______________________________

Approved as to Form and Legal Content
by Matthew, E. Maggard
of Shumaker, Loop & Kendrick, LLP
City Attorney, City of Zephyrhills
Signed: M. Maggard
Date: April 30, 2025

33177122v1

Florida State Lodge Fraternal Order of Inc.
Lodge # 29

By:

____
William Lawless
Date: _________________________________

Officer Johnathan Arocho

By:

____
Officer Johnathan Arocho, ZPD
Date: _________________________________

Action Item

CONSENT ITEMS 1.6

Approval of Utility Agreement 45-25-10 for 37710 Perth Drive Zephyrhills FL 33541

Issue:

Request Council approval for Council President to sign the Agreement Arising Out of a Request For City Water Services Outside Corporate Limits.

Background:

The property is located outside the city limits, but within our utility service area.

Attachment(s):

1. SKM_C650i25050607420

Fiscal Impact:

There are minimal monetary impacts on the City as the normal fees will be paid by the owners.

Staff Recommendation:

It is recommended that the City Council approve Council President to sign the Outside Water Agreement.

AGREEMENT ARISING OUT OF REQUEST FOR CITY SERVICES
OUTSIDE CORPORATE LIMITS

THIS AGREEMENT, entered into this 30th day of April, 2025, between Linda D Mccowan hereinafter referred to as parties of the first part, and the City of Zephyrhills, a municipal corporation, hereinafter referred to as the City.

WITNESSETH

WHEREAS, the parties of the first part owning land outside the corporate City limits of the City of Zephyrhills have requested certain utility services, and

WHEREAS, the City Council of the City of Zephyrhills has established a plan for the provision of utility services outside the corporate limits, and

WHEREAS, this agreement must be executed by all interested parties for the providing of such utility services.

NOW, THEREFORE, BE IT AGREED between the parties hereto as follows:

1. The City does hereby agree to provide services to the parties of the first part consisting of water/~~sewer~~ to the parcel of land described as follows:

Physical Address: 37710 Perth Drive Zephyrhills Florida 33541

Parcel Identification Number: 27 25 21 0030 09400 0040

Legal Description: ZEPHYRHILLS COLONY COMPANY SUB PB 1 PG 55 TRACT 94 LESS WEST 450.68 FT THEREOF AND LESS THE NORTH 40.00 FT THEREOF AND SUBJECT TO INGRESS-EGRESS EASEMENT OVER NORTH 30.00 FT THEREOF AKA LOT 4 OR 4297 PG 698

2. The parties of the first part do hereby affirm that the lands to which said services shall be provided are/~~are not~~ contiguous to the corporate limits of the City of Zephyrhills, and that said parties of the first part are the owners of lands involved, described above.

3. By the execution of this agreement the parties of the first part do hereby agree that all lands involved in this agreement shall at the sole discretion of the City, be annexed and become part of the City of Zephyrhills by ordinance when said property becomes contiguous to the corporate boundaries of the City of Zephyrhills.

Furthermore, the parties of the first part shall do all things necessary to execute any instruments required to effect such annexation, and in the absence thereof, does hereby appoint the City Manager of Zephyrhills as attorney-in-fact to sign such documents as are necessary for such annexation on behalf of the parties of the first part or their successors or assigns.

4. (a) The parties of the first part shall be liable for all costs incurred in the installation of water lines, sewer lines or conduit of any type for the purposes of providing the municipal services aforementioned and shall indemnify the City against any claim for such installation.

(b) If such water lines, se~~wer lines or~~ conduit will be available to serve other intervening land, the City, at its sole discretion, may reimburse the parties of the first part for a portion of the cost of construction, such reimbursement being consistent with current City policy as expressed by Resolution or Ordinance.

(c) Prior to the time that said land area involved is annexed to and becomes part of the City of Zephyrhills, the parties of the first part do hereby agree to be solely responsible for the payment

of any consumer rate or fee levied by the City of Zephyrhills for the aforementioned municipal service(s) provided to the land involved therein.

(d) Default in any payment due the City for such municipal services prior to annexation shall give the City the immediate right to terminate the municipal services provided for above, but shall not operate to waive any other rights to enforce this agreement by the City.

5. Other than timely providing the service as hereinabove referenced, it is agreed that this contract creates no obligation of the City to provide other City services to the referenced property in any manner other than as growth permits in the sole discretion of the City, provided, however, that at any time the City exercised its discretion to provide those services, party of the first part shall be obligated for all costs incurred in the installation of those lines or conduit from the closest feasible attachment point now existing to the boundary line of the property owned by the parties of the first part and contemplated herein as well as within the limits of the referenced property owned by the parties of the first part.

6. Water meters shall be installed on all units (residential and ~~business)~~ located on the above-referenced lands as determined by the City. The party of the first part does hereby agree to become liable for per unit connection fees at the rate existing at the time services are connected plus the costs of water meters installed and the cost of extending the present water ~~sewer~~ lines to the aforementioned lands. In addition, all costs of inspection of connecting lines deemed necessary by the City shall be billed to party of the first part at City's costs and paid for when billed.

Should the party of the first part fail to pay the aforementioned fees and costs with the time designated, the City shall be entitled to a lien against the premises herein described, which shall bear interest at the rate charged for similar liens, and may be foreclosed at the option of the City. Any such foreclosure action shall obligate the party of the first part, in addition to the aforementioned fees and costs, to pay to the City all costs and reasonable attorney fees incurred in such action.

7. Not withstanding the provisions of paragraph 6, above, parties of the first part acknowledge that they are aware of the present connection fees and water meter installation charges; that the charges as to this specific property shall be:

> 1. Those in effect at the time of connection, the time of application therefor or the time the connection fee is paid, whichever is greater; or
>
> 2. The City agrees that the present connection rates in effect at the time of approval of this petition shall apply provided payment is made in full for all such connection charges within ninety (90) days of the approval of this petition.

8. The City's obligation to supply the services herein shall not be binding unless connection fees shall be paid within six (6) months after approval of this petition. All others shall be at the discretion of the City.

9. Parties of the first part do agree to submit all plans, site plans, and construction plans to the City for review prior to the construction of any improvement and do agree to amend those plans to comply with the minimum standards of the City for the construction and installation of public utilities.

10. Parties of the first part shall execute any easement necessary granting unto the City the right to use all streets, alleys, or thoroughfares and utility easements presently located on, or to be

located on, said lands at a future date in order that the City may have full right of access for the purpose of maintenance of and providing the requested service(s) to said lands.

11. This agreement shall be a covenant running with the land and shall be binding upon all parties, their heirs, administrators, executors, or assigns, it being fully understood between all parties that this agreement is executed in conformity with the appropriate recording statutes and will be filed in the Official Records of Pasco County, Florida, by either party.

CITY OF ZEPHYRHILLS

ATTEST____________________ BY: ____________________
CITY CLERK PRESIDENT OF CITY COUNCIL

BY: ____________________
MAYOR

STATE OF FLORIDA
COUNTY OF PASCO

I HEREBY CERTIFY that on this date before me a Notary Public duly authorized in the State and County above named to take acknowledgements, personally appeared Charles E. Proctor, President of City Council, Melonie Bahr Monson, Mayor and Ricardo Quiñones, City Clerk, respectively, known by me to be the persons described in and who executed the foregoing agreement on behalf of the City of Zephyrhills.

WITNESS my hand and official seal in the State and County aforesaid this _____ day of ____________, 20_____.

____
NOTARY PUBLIC
My Commission Expires:

(SEAL)

x Dale Howze
Witness Signature

x Dale Howze
Witness Printed Name

x Wendy Haimes
Witness Signature

x Wendy Haimes
Witness Printed Name

x Linda D. McCowan
Applicant Signature

x LINDA D. McCOWAN
Applicant Printed Name

____
Witness Signature

____
Witness Printer Name

____
Witness Signature

____
Witness Printed Name

____
Applicant Signature

____
Applicant Printed Name

STATE OF FLORIDA
COUNTY OF PASCO

I HEREBY CERTIFY that on this date before me a Notary Public duly authorized in the State and County above named to take acknowledgements, personally appeared Linda Darlene McCowan known by me to be the person(s) described in or who produced Florida Drivers License as identification and who executed the foregoing agreement on behalf of the party of the first part.

WITNESS my hand and official seal in the State and County aforesaid this 30th day of April, 2025.

Jacqueline Boges
NOTARY PUBLIC
My Commission Expires: December 12, 2026

(SEAL)

JACQUELINE BOGES
Commission # HH 328572
Expires December 12, 2026

Action Item

CONSENT ITEMS 1.7

Approval of Utility Agreement 45-25-11 for 38317 Vinson Ave Zephyrhills FL 33542

Issue:

Request Council approval for Council President to sign the Agreement Arising Out of a Request For City Water Services Outside Corporate Limits.

Background:

The property is located outside the city limits, but within our utility service area.

Attachment(s):

1. 45-25-11 Utility Agreement for 38317 Vinson Ave Zephyrhills FL 33542

Fiscal Impact:

There are minimal monetary impacts to the City as the normal fees will be paid by the owners.

Staff Recommendation:

It is recommended that the City Council approve Council President to sign the Outside Water Agreement.

AGREEMENT ARISING OUT OF REQUEST FOR CITY SERVICES
OUTSIDE CORPORATE LIMITS

THIS AGREEMENT, entered into this 22nd day of April, 2025, between DG & 100 Holdings LLC hereinafter referred to as parties of the first part, and the City of Zephyrhills, a municipal corporation, hereinafter referred to as the City.

WITNESSETH

WHEREAS, the parties of the first part owning land outside the corporate City limits of the City of Zephyrhills have requested certain utility services, and

WHEREAS, the City Council of the City of Zephyrhills has established a plan for the provision of utility services outside the corporate limits, and

WHEREAS, this agreement must be executed by all interested parties for the providing of such utility services.

NOW, THEREFORE, BE IT AGREED between the parties hereto as follows:

1. The City does hereby agree to provide services to the parties of the first part consisting of water/~~sewer~~ to the parcel of land described as follows:

Physical Address: 38317 Vinson Ave Zephyrhills Fl 33542

Parcel Identification Number: 14 26 21 0130 00200 0060

Legal Description: VINSON SUB PB 5 PG 17A LOTS 6 & 7 LESS NORTH 45.00 FT THEREOF OR 9703 PG 2860

2. The parties of the first part do hereby affirm that the lands to which said services shall be provided are/~~are not~~ contiguous to the corporate limits of the City of Zephyrhills, and that said parties of the first part are the owners of lands involved, described above.

3. By the execution of this agreement the parties of the first part do hereby agree that all lands involved in this agreement shall at the sole discretion of the City, be annexed and become part of the City of Zephyrhills by ordinance when said property becomes contiguous to the corporate boundaries of the City of Zephyrhills.

Furthermore, the parties of the first part shall do all things necessary to execute any instruments required to effect such annexation, and in the absence thereof, does hereby appoint the City Manager of Zephyrhills as attorney-in-fact to sign such documents as are necessary for such annexation on behalf of the parties of the first part or their successors or assigns.

4. (a) The parties of the first part shall be liable for all costs incurred in the installation of water lines, sewer lines or conduit of any type for the purposes of providing the municipal services aforementioned and shall indemnify the City against any claim for such installation.

(b) If such water lines, ~~sewer lines~~ or conduit will be available to serve other intervening land, the City, at its sole discretion, may reimburse the parties of the first part for a portion of the cost of construction, such reimbursement being consistent with current City policy as expressed by Resolution or Ordinance.

(c) Prior to the time that said land area involved is annexed to and becomes part of the City of Zephyrhills, the parties of the first part do hereby agree to be solely responsible for the payment

of any consumer rate or fee levied by the City of Zephyrhills for the aforementioned municipal service(s) provided to the land involved therein.

(d) Default in any payment due the City for such municipal services prior to annexation shall give the City the immediate right to terminate the municipal services provided for above, but shall not operate to waive any other rights to enforce this agreement by the City.

5. Other than timely providing the service as hereinabove referenced, it is agreed that this contract creates no obligation of the City to provide other City services to the referenced property in any manner other than as growth permits in the sole discretion of the City, provided, however, that at any time the City exercised its discretion to provide those services, party of the first part shall be obligated for all costs incurred in the installation of those lines or conduit from the closest feasible attachment point now existing to the boundary line of the property owned by the parties of the first part and contemplated herein as well as within the limits of the referenced property owned by the parties of the first part.

6. Water meters shall be installed on all units (residential and ~~business~~) located on the above-referenced lands as determined by the City. The party of the first part does hereby agree to become liable for per unit connection fees at the rate existing at the time services are connected plus the costs of water meters installed and the cost of extending the present water/~~sewer~~ lines to the aforementioned lands. In addition, all costs of inspection of connecting lines deemed necessary by the City shall be billed to party of the first part at City's costs and paid for when billed.

Should the party of the first part fail to pay the aforementioned fees and costs with the time designated, the City shall be entitled to a lien against the premises herein described, which shall bear interest at the rate charged for similar liens, and may be foreclosed at the option of the City. Any such foreclosure action shall obligate the party of the first part, in addition to the aforementioned fees and costs, to pay to the City all costs and reasonable attorney fees incurred in such action.

7. Not withstanding the provisions of paragraph 6, above, parties of the first part acknowledge that they are aware of the present connection fees and water meter installation charges; that the charges as to this specific property shall be:

> 1. Those in effect at the time of connection, the time of application therefor or the time the connection fee is paid, whichever is greater; or
>
> 2. The City agrees that the present connection rates in effect at the time of approval of this petition shall apply provided payment is made in full for all such connection charges within ninety (90) days of the approval of this petition.

8. The City's obligation to supply the services herein shall not be binding unless connection fees shall be paid within six (6) months after approval of this petition. All others shall be at the discretion of the City.

9. Parties of the first part do agree to submit all plans, site plans, and construction plans to the City for review prior to the construction of any improvement and do agree to amend those plans to comply with the minimum standards of the City for the construction and installation of public utilities.

10. Parties of the first part shall execute any easement necessary granting unto the City the right to use all streets, alleys, or thoroughfares and utility easements presently located on, or to be

located on, said lands at a future date in order that the City may have full right of access for the purpose of maintenance of and providing the requested service(s) to said lands.

11. This agreement shall be a covenant running with the land and shall be binding upon all parties, their heirs, administrators, executors, or assigns, it being fully understood between all parties that this agreement is executed in conformity with the appropriate recording statutes and will be filed in the Official Records of Pasco County, Florida, by either party.

CITY OF ZEPHYRHILLS

ATTEST____________________
CITY CLERK

BY: ____________________
PRESIDENT OF CITY COUNCIL

BY: ____________________
MAYOR

STATE OF FLORIDA
COUNTY OF PASCO

I HEREBY CERTIFY that on this date before me a Notary Public duly authorized in the State and County above named to take acknowledgements, personally appeared Charles E. Proctor, President of City Council, Melonie Bahr Monson, Mayor and Ricardo Quiñones, City Clerk, respectively, known by me to be the persons described in and who executed the foregoing agreement on behalf of the City of Zephyrhills.

WITNESS my hand and official seal in the State and County aforesaid this _____ day of ___________, 20_____.

____
NOTARY PUBLIC
My Commission Expires:

(SEAL)

Lindsay Bateman
Witness Signature
Lindsay Bateman
Witness Printed Name
Jacqueline Boges
Witness Signature
Jacqueline Boges
Witness Printed Name

Applicant Signature
Douglas Guncet
Applicant Printed Name

____
Witness Signature
____
Witness Printer Name
____
Witness Signature
____
Witness Printed Name

____
Applicant Signature
____
Applicant Printed Name

STATE OF FLORIDA
COUNTY OF PASCO

I HEREBY CERTIFY that on this date before me a Notary Public duly authorized in the State and County above named to take acknowledgements, personally appeared Douglas Guncet known by me to be the person(s) described in or who produced ____________________ as identification and who executed the foregoing agreement on behalf of the party of the first part.

WITNESS my hand and official seal in the State and County aforesaid this 7th day of May, 2025.

Jacqueline Boges
NOTARY PUBLIC
My Commission Expires: December 12, 2026

(SEAL)

NOTARY PUBLIC STATE OF FLORIDA
JACQUELINE BOGES
Commission # HH 328572
Expires December 12, 2026

City Council Meeting
May 12, 2025

Action Item

CONSENT ITEMS 1.8

Approval of Utility Agreement 45-25-12 for 4406 Plum Street Zephyrhills FL 33542

Issue:

Request Council approval for Council President to sign the Agreement Arising Out of a Request For City Water Services Outside Corporate Limits.

Background:

The property is located outside the city limits, but within our utility service area.

Attachment(s):

1. 45-25-12 Utility Agreement for 4406 Plum Street Zephyrhills FL 33542

Fiscal Impact:

There are minimal monetary impacts to the City as the normal fees will be paid by the owners.

Staff Recommendation:

It is recommended that the City Council approve Council President to sign the Outside Water Agreement.

AGREEMENT ARISING OUT OF REQUEST FOR CITY SERVICES
OUTSIDE CORPORATE LIMITS

THIS AGREEMENT, entered into this 7th day of May, 2025, between DG & 100 HOLDINGS LLC hereinafter referred to as parties of the first part, and the City of Zephyrhills, a municipal corporation, hereinafter referred to as the City.

WITNESSETH

WHEREAS, the parties of the first part owning land outside the corporate City limits of the City of Zephyrhills have requested certain utility services, and

WHEREAS, the City Council of the City of Zephyrhills has established a plan for the provision of utility services outside the corporate limits, and

WHEREAS, this agreement must be executed by all interested parties for the providing of such utility services.

NOW, THEREFORE, BE IT AGREED between the parties hereto as follows:

1. The City does hereby agree to provide services to the parties of the first part consisting of water/sewer to the parcel of land described as follows:

Physical Address: 4406 Plum Street Zephyrhills Fl 33542

Parcel Identification Number: 14 26 21 0130 00200 0080

Legal Description: VINSONS SUB PB 5 PG 17A THE NORTH 15.00 FT OF LOT 7 & LOT 8 BLOCK 2 LESS THE EAST 40.00 FT THEREOF OR 9703 PG 2860

2. The parties of the first part do hereby affirm that the lands to which said services shall be provided are/are not contiguous to the corporate limits of the City of Zephyrhills, and that said parties of the first part are the owners of lands involved, described above.

3. By the execution of this agreement the parties of the first part do hereby agree that all lands involved in this agreement shall at the sole discretion of the City, be annexed and become part of the City of Zephyrhills by ordinance when said property becomes contiguous to the corporate boundaries of the City of Zephyrhills.

Furthermore, the parties of the first part shall do all things necessary to execute any instruments required to effect such annexation, and in the absence thereof, does hereby appoint the City Manager of Zephyrhills as attorney-in-fact to sign such documents as are necessary for such annexation on behalf of the parties of the first part or their successors or assigns.

4. (a) The parties of the first part shall be liable for all costs incurred in the installation of water lines, sewer lines or conduit of any type for the purposes of providing the municipal services aforementioned and shall indemnify the City against any claim for such installation.

(b) If such water lines, sewer lines or conduit will be available to serve other intervening land, the City, at its sole discretion, may reimburse the parties of the first part for a portion of the cost of construction, such reimbursement being consistent with current City policy as expressed by Resolution or Ordinance.

(c) Prior to the time that said land area involved is annexed to and becomes part of the City of Zephyrhills, the parties of the first part do hereby agree to be solely responsible for the payment

of any consumer rate or fee levied by the City of Zephyrhills for the aforementioned municipal service(s) provided to the land involved therein.

(d) Default in any payment due the City for such municipal services prior to annexation shall give the City the immediate right to terminate the municipal services provided for above, but shall not operate to waive any other rights to enforce this agreement by the City.

5. Other than timely providing the service as hereinabove referenced, it is agreed that this contract creates no obligation of the City to provide other City services to the referenced property in any manner other than as growth permits in the sole discretion of the City, provided, however, that at any time the City exercised its discretion to provide those services, party of the first part shall be obligated for all costs incurred in the installation of those lines or conduit from the closest feasible attachment point now existing to the boundary line of the property owned by the parties of the first part and contemplated herein as well as within the limits of the referenced property owned by the parties of the first part.

6. Water meters shall be installed on all units (residential and business) located on the above-referenced lands as determined by the City. The party of the first part does hereby agree to become liable for per unit connection fees at the rate existing at the time services are connected plus the costs of water meters installed and the cost of extending the present water/sewer lines to the aforementioned lands. In addition, all costs of inspection of connecting lines deemed necessary by the City shall be billed to party of the first part at City's costs and paid for when billed.

Should the party of the first part fail to pay the aforementioned fees and costs with the time designated, the City shall be entitled to a lien against the premises herein described, which shall bear interest at the rate charged for similar liens, and may be foreclosed at the option of the City. Any such foreclosure action shall obligate the party of the first part, in addition to the aforementioned fees and costs, to pay to the City all costs and reasonable attorney fees incurred in such action.

7. Not withstanding the provisions of paragraph 6, above, parties of the first part acknowledge that they are aware of the present connection fees and water meter installation charges; that the charges as to this specific property shall be:

1. Those in effect at the time of connection, the time of application therefor or the time the connection fee is paid, whichever is greater; or

2. The City agrees that the present connection rates in effect at the time of approval of this petition shall apply provided payment is made in full for all such connection charges within ninety (90) days of the approval of this petition.

8. The City's obligation to supply the services herein shall not be binding unless connection fees shall be paid within six (6) months after approval of this petition. All others shall be at the discretion of the City.

9. Parties of the first part do agree to submit all plans, site plans, and construction plans to the City for review prior to the construction of any improvement and do agree to amend those plans to comply with the minimum standards of the City for the construction and installation of public utilities.

10. Parties of the first part shall execute any easement necessary granting unto the City the right to use all streets, alleys, or thoroughfares and utility easements presently located on, or to be

located on, said lands at a future date in order that the City may have full right of access for the purpose of maintenance of and providing the requested service(s) to said lands.

11. This agreement shall be a covenant running with the land and shall be binding upon all parties, their heirs, administrators, executors, or assigns, it being fully understood between all parties that this agreement is executed in conformity with the appropriate recording statutes and will be filed in the Official Records of Pasco County, Florida, by either party.

CITY OF ZEPHYRHILLS

ATTEST____________________
CITY CLERK

BY: ______________________________
PRESIDENT OF CITY COUNCIL

BY: ______________________________
MAYOR

STATE OF FLORIDA
COUNTY OF PASCO

I HEREBY CERTIFY that on this date before me a Notary Public duly authorized in the State and County above named to take acknowledgements, personally appeared Charles E. Proctor, President of City Council, Melonie Bahr Monson, Mayor and Ricardo Quiñones, City Clerk, respectively, known by me to be the persons described in and who executed the foregoing agreement on behalf of the City of Zephyrhills.

WITNESS my hand and official seal in the State and County aforesaid this _____ day of ___________, 20_____.

NOTARY PUBLIC
My Commission Expires:

(SEAL)

Lindsay Bateman
Witness Signature
Lindsay Bateman
Witness Printed Name
Jacqueline Boges
Witness Signature
Jacqueline Boges
Witness Printed Name

Douglas Guncet
Applicant Signature
Douglas Guncet
Applicant Printed Name

____
Witness Signature
____
Witness Printer Name
____
Witness Signature
____
Witness Printed Name

____
Applicant Signature
____
Applicant Printed Name

STATE OF FLORIDA
COUNTY OF PASCO

I HEREBY CERTIFY that on this date before me a Notary Public duly authorized in the State and County above named to take acknowledgements, personally appeared Douglas Guncet known by me to be the person(s) described in or who produced ______________ as identification and who executed the foregoing agreement on behalf of the party of the first part.

WITNESS my hand and official seal in the State and County aforesaid this 7th day of May, 2023.

Jacqueline Boges
NOTARY PUBLIC
My Commission Expires: December 12-2026

(SEAL) JACQUELINE BOGES
Commission # HH 328572
Expires December 12, 2026

City Council Meeting
May 12, 2025

Action Item

CONSENT ITEMS 1.9

Approval of Utility Agreement 45-25-13 for 4410 Plum Street Zephyrhills FL 33542

Issue:

Background:

Attachment(s):

1. 45-25-13 Utility Agreement for 4410 Plum Street Zephyrhills FL 33542

Fiscal Impact:

Staff Recommendation:

AGREEMENT ARISING OUT OF REQUEST FOR CITY SERVICES
OUTSIDE CORPORATE LIMITS

THIS AGREEMENT, entered into this 7th day of May, 2025, between DG & 100 HOLDINGS LLC hereinafter referred to as parties of the first part, and the City of Zephyrhills, a municipal corporation, hereinafter referred to as the City.

WITNESSETH

WHEREAS, the parties of the first part owning land outside the corporate City limits of the City of Zephyrhills have requested certain utility services, and

WHEREAS, the City Council of the City of Zephyrhills has established a plan for the provision of utility services outside the corporate limits, and

WHEREAS, this agreement must be executed by all interested parties for the providing of such utility services.

NOW, THEREFORE, BE IT AGREED between the parties hereto as follows:

1. The City does hereby agree to provide services to the parties of the first part consisting of water/sewer to the parcel of land described as follows:

Physical Address: 4410 Plum Street Zephyrhills Fl 33542

Parcel Identification Number: 14 26 21 0130 00200 0090

Legal Description: VINSONS SUB PB 5 PG 17A LOTS 9 BLOCK 2 LESS THE EAST 35.00 FT THEREOF & LESS THE WEST 25.50 FT OF THE EAST 60.50 FT OF SOUTH 52.00 FT THEREOF

2. The parties of the first part do hereby affirm that the lands to which said services shall be provided are/are not contiguous to the corporate limits of the City of Zephyrhills, and that said parties of the first part are the owners of lands involved, described above.

3. By the execution of this agreement the parties of the first part do hereby agree that all lands involved in this agreement shall at the sole discretion of the City, be annexed and become part of the City of Zephyrhills by ordinance when said property becomes contiguous to the corporate boundaries of the City of Zephyrhills.

Furthermore, the parties of the first part shall do all things necessary to execute any instruments required to effect such annexation, and in the absence thereof, does hereby appoint the City Manager of Zephyrhills as attorney-in-fact to sign such documents as are necessary for such annexation on behalf of the parties of the first part or their successors or assigns.

4. (a) The parties of the first part shall be liable for all costs incurred in the installation of water lines, sewer lines or conduit of any type for the purposes of providing the municipal services aforementioned and shall indemnify the City against any claim for such installation.

(b) If such water lines, sewer lines or conduit will be available to serve other intervening land, the City, at its sole discretion, may reimburse the parties of the first part for a portion of the cost of construction, such reimbursement being consistent with current City policy as expressed by Resolution or Ordinance.

(c) Prior to the time that said land area involved is annexed to and becomes part of the City of Zephyrhills, the parties of the first part do hereby agree to be solely responsible for the payment

of any consumer rate or fee levied by the City of Zephyrhills for the aforementioned municipal service(s) provided to the land involved therein.

(d) Default in any payment due the City for such municipal services prior to annexation shall give the City the immediate right to terminate the municipal services provided for above, but shall not operate to waive any other rights to enforce this agreement by the City.

5. Other than timely providing the service as hereinabove referenced, it is agreed that this contract creates no obligation of the City to provide other City services to the referenced property in any manner other than as growth permits in the sole discretion of the City, provided, however, that at any time the City exercised its discretion to provide those services, party of the first part shall be obligated for all costs incurred in the installation of those lines or conduit from the closest feasible attachment point now existing to the boundary line of the property owned by the parties of the first part and contemplated herein as well as within the limits of the referenced property owned by the parties of the first part.

6. Water meters shall be installed on all units (residential and business) located on the above-referenced lands as determined by the City. The party of the first part does hereby agree to become liable for per unit connection fees at the rate existing at the time services are connected plus the costs of water meters installed and the cost of extending the present water/sewer lines to the aforementioned lands. In addition, all costs of inspection of connecting lines deemed necessary by the City shall be billed to party of the first part at City's costs and paid for when billed.

Should the party of the first part fail to pay the aforementioned fees and costs with the time designated, the City shall be entitled to a lien against the premises herein described, which shall bear interest at the rate charged for similar liens, and may be foreclosed at the option of the City. Any such foreclosure action shall obligate the party of the first part, in addition to the aforementioned fees and costs, to pay to the City all costs and reasonable attorney fees incurred in such action.

7. Not withstanding the provisions of paragraph 6, above, parties of the first part acknowledge that they are aware of the present connection fees and water meter installation charges; that the charges as to this specific property shall be:

> 1. Those in effect at the time of connection, the time of application therefor or the time the connection fee is paid, whichever is greater; or
>
> 2. The City agrees that the present connection rates in effect at the time of approval of this petition shall apply provided payment is made in full for all such connection charges within ninety (90) days of the approval of this petition.

8. The City's obligation to supply the services herein shall not be binding unless connection fees shall be paid within six (6) months after approval of this petition. All others shall be at the discretion of the City.

9. Parties of the first part do agree to submit all plans, site plans, and construction plans to the City for review prior to the construction of any improvement and do agree to amend those plans to comply with the minimum standards of the City for the construction and installation of public utilities.

10. Parties of the first part shall execute any easement necessary granting unto the City the right to use all streets, alleys, or thoroughfares and utility easements presently located on, or to be

located on, said lands at a future date in order that the City may have full right of access for the purpose of maintenance of and providing the requested service(s) to said lands.

11. This agreement shall be a covenant running with the land and shall be binding upon all parties, their heirs, administrators, executors, or assigns, it being fully understood between all parties that this agreement is executed in conformity with the appropriate recording statutes and will be filed in the Official Records of Pasco County, Florida, by either party.

CITY OF ZEPHYRHILLS

ATTEST____________________
CITY CLERK

BY: ______________________________
PRESIDENT OF CITY COUNCIL

BY: ______________________________
MAYOR

STATE OF FLORIDA
COUNTY OF PASCO

I HEREBY CERTIFY that on this date before me a Notary Public duly authorized in the State and County above named to take acknowledgements, personally appeared Charles E. Proctor, President of City Council, Melonie Bahr Monson, Mayor and Ricardo Quiñones, City Clerk, respectively, known by me to be the persons described in and who executed the foregoing agreement on behalf of the City of Zephyrhills.

WITNESS my hand and official seal in the State and County aforesaid this _____ day of ___________, 20_____.

____
NOTARY PUBLIC
My Commission Expires:

(SEAL)

Lindsay Bateman
Witness Signature
Lindsay Bateman
Witness Printed Name
Jacqueline Boges
Witness Signature
Jacqueline Boges
Witness Printed Name

Applicant Signature
Douglas Guncet
Applicant Printed Name

____
Witness Signature
____
Witness Printer Name
____
Witness Signature
____
Witness Printed Name

____
Applicant Signature
____
Applicant Printed Name

STATE OF FLORIDA
COUNTY OF PASCO

I HEREBY CERTIFY that on this date before me a Notary Public duly authorized in the State and County above named to take acknowledgements, personally appeared Douglas Guncet known by me to be the person(s) described in or who produced ______________________________ as identification and who executed the foregoing agreement on behalf of the party of the first part.

WITNESS my hand and official seal in the State and County aforesaid this 7th day of May, 20 25.

Jacqueline Boges
NOTARY PUBLIC
My Commission Expires: December 12, 2026

(SEAL) JACQUELINE BOGES
Commission # HH 328572
Expires December 12, 2026

City Council Meeting
May 12, 2025

Action Item

CONSENT ITEMS 1.10

AMENDMENT 3 TO LOAN AGREEMENT WW510531 with FDEP - *64-20-01*

Issue:
Require Council President's Signature upon AMENDMENT 3 TO LOAN AGREEMENT WW510531 with FDEP

Background:
The City completed a project at the WWTP to upgrade the treatment system to include Advanced Wastewater Treatment. This process would reduce nutrients into the environment.
The City obtained SRF Loan from FDEP at a very, near 0%, interest rate.

Attachment(s):

1. Zephyrhills WW510531 A3 - comp date ext

Fiscal Impact:
This final amendment will allow the city to complete their final disbursement from the SRF Loan. Final disbursement will be $429,919.

Staff Recommendation:
Staff recommends to the City Council to sign the Amendment as presented.

STATE REVOLVING FUND
AMENDMENT 3 TO LOAN AGREEMENT WW510531
CITY OF ZEPHYRHILLS

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and the CITY OF ZEPHYRHILLS, FLORIDA, (Local Government) existing as a local governmental entity under the laws of the State of Florida. Collectively, the Department and the Local Government shall be referred to as "Parties" or individually as "Party".

The Department and the Local Government entered into a State Revolving Fund Loan Agreement, Number WW510531, as amended; and

Project completion date needs rescheduling to give the Local Government additional time to complete disbursements; and

Certain provisions of the Agreement need revision, and provisions need to be added to the Agreement.

The Parties hereto agree as follows:

1. Section 8.15 is added to the Agreement as follows:

8.15. CIVIL RIGHTS.

The Local Government shall comply with all Title VI requirements of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Equal Employment Opportunity requirements (Executive Order 11246, as amended) which prohibit activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, national origin (including limited English proficiency), age, disability, or sex.

2. Section 8.16 is added to the Agreement as follows:

8.16. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.

The Local Government and any contractors/subcontractors are prohibited from obligating or expending any Loan or Principal Forgiveness funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. See Section 889 of Public Law 115-232 (National Defense Authorization Act 2019). Also, see 2 CFR 200.216 and 200.471.

3. Subsection 10.07(2) of the Agreement is rescheduled as follows:

(2) Completion of Project construction is scheduled for June 15, 2025.

4. All other terms and provisions of the Loan Agreement shall remain in effect.

This Amendment 3 to Loan Agreement WW510531 may be executed in two or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Loan Agreement to be executed on its behalf by the Secretary or Designee and the Local Government has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Department.

for
CITY OF ZEPHYRHILLS

____
City Council President

Attest: Approved as to form and legal sufficiency:

__________________________ __________________________
City Clerk City Attorney

SEAL

for
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

__________________________ ________________
Secretary or Designee Date

City Council Meeting
May 12, 2025

Information Only

FINANCE DIRECTOR'S REPORT 2.1

Audit Report

Issue:

Background:

Attachment(s):

1. City of Zephyrhills-2024 Audit Presentation
2. Audit Report CITY OF ZHILLS FINAL

Fiscal Impact:

Staff Recommendation:

City of Zephyrhills

Audit Presentation

May 12, 2025

Responsibilities Under Audit Standards

Auditor Responsibilities

- Audit **Your** Financial Statements
- Conduct the audit in accordance with GAAS
- Understand Controls in Place for
  - Financial Reporting
  - Compliance with Requirements of Grants
- Test Compliance with Matters that
  - Impact Financial Statements
  - Are Required for Major Programs
- Report Matters as Necessary
- Nonattest Services
  - Financial Statement Assistance

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CPAs + Advisors

Responsibilities Under Audit Standards

Client Responsibilities

- Prepare Financial Statements
- Council Oversight
- Establish and Maintain Controls
- Confirm Representations
- Nonattest Services
    - Designate Individual with Skill, Knowledge and Expertise

DG Perry CPAs + Advisors

Required Communications

Items to be Communicated	Auditor’s Response
• Qualitative aspects of accounting practices.	• Significant accounting policies are described in Note 1 of the financial statements. Estimates significant to the financial statements include: • Remaining useful lives of fixed assets • Net OPEB obligations • Lease disclosures under GASB 87 • SBITA disclosures under GASB 96
• Difficulties encountered.	• Encountered no difficulties.
• Consultation with other accountants.	• To our knowledge, no such consultations were made.
• Corrected and uncorrected misstatements.	• All known or likely misstatements identified during the audit have been corrected by management. • There were not any uncorrected misstatements to be communicated with management.

DG Perry CPAs + Advisors

Required Communications

Items to be Communicated	Auditor's Response
• Disagreements with management and management representations.	• We are pleased to report that we had no disagreement with management.
• Internal control matters identified in an audit.	• No internal control matters were noted that were required to be communicated.

DG Perry
CPAs + Advisors

Audit Results

Reports	**Results**
Financial Statements	Unmodified Report (Clean Opinion)
Internal Control Over Financial Reporting and Compliance	No Instances of Noncompliance Noted
Single Audit Compliance Internal Control Over Compliance	Unmodified Report (Clean Opinion)
Financial Results	Discussion to Follow

DGPerry
CPAs + Advisors

City of Zephyrhills, Florida

Balance Sheet
Governmental Funds
For the Year Ended September 30, 2024

	General	Special Revenue	CRA Fund	Impact Fee Fund	Total
Assets					
Cash and Pooled Cash, Cash Equivalents, and Investments	$ 17,147,006	$ 12,288,038	$ 1,804,703	$ 8,272,826	$ 39,512,573
Receivables (Net of Allowance)					
Accounts Billed	446,293	-	-	-	446,293
Due from Other Governments	375,744	450,570	-	-	826,314
Inventories - at Cost	22,930	-	-	-	22,930
Prepaid Items	1,000	-	-	-	1,000
Total Assets	$ 17,992,973	$ 12,738,608	$ 1,804,703	$ 8,272,826	$ 40,809,110
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	829,027	775,783	39,962	16,187	1,660,959
Accrued Liabilities	398,974	-	4,713	-	403,687
Total Liabilities	1,228,001	775,783	44,675	16,187	2,064,646
Fund Balances					
Nonspendable:					
Inventories	22,930	-	-	-	22,930
Prepaid items	1,000	-	-	-	1,000
Restricted For:					
Community Reinvestment	165,611	-	1,760,028	-	1,925,639
Impact Fee Programs	-	-	-	8,256,639	8,256,639
Infrastructure Sales Tax Programs	-	11,485,596	-	-	11,485,596
Transportation - Fuel Tax	-	477,229	-	-	477,229
Other (Confiscated Property)	59,231	-	-	-	59,231
Assigned:					
Cemetery Perpetual Care	548,425	-	-	-	548,425
CAD Reserve	51,194	-	-	-	51,194
Recreation-ZNHH Reserve	3,846,624	-	-	-	3,846,624
Building Department Reserve	572,522	-	-	-	572,522
Other	198,999	-	-	-	198,999
Undesignated/Unreserved	11,298,436	-	-	-	11,298,436
Total Fund Balances	16,764,972	11,962,825	1,760,028	8,256,639	38,744,464
Total Liability and Fund Balances	$ 17,992,973	$ 12,738,608	$ 1,804,703	$ 8,272,826	$ 40,809,110

City of Zephyrhills, Florida

Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds
For the Year Ended September 30, 2024

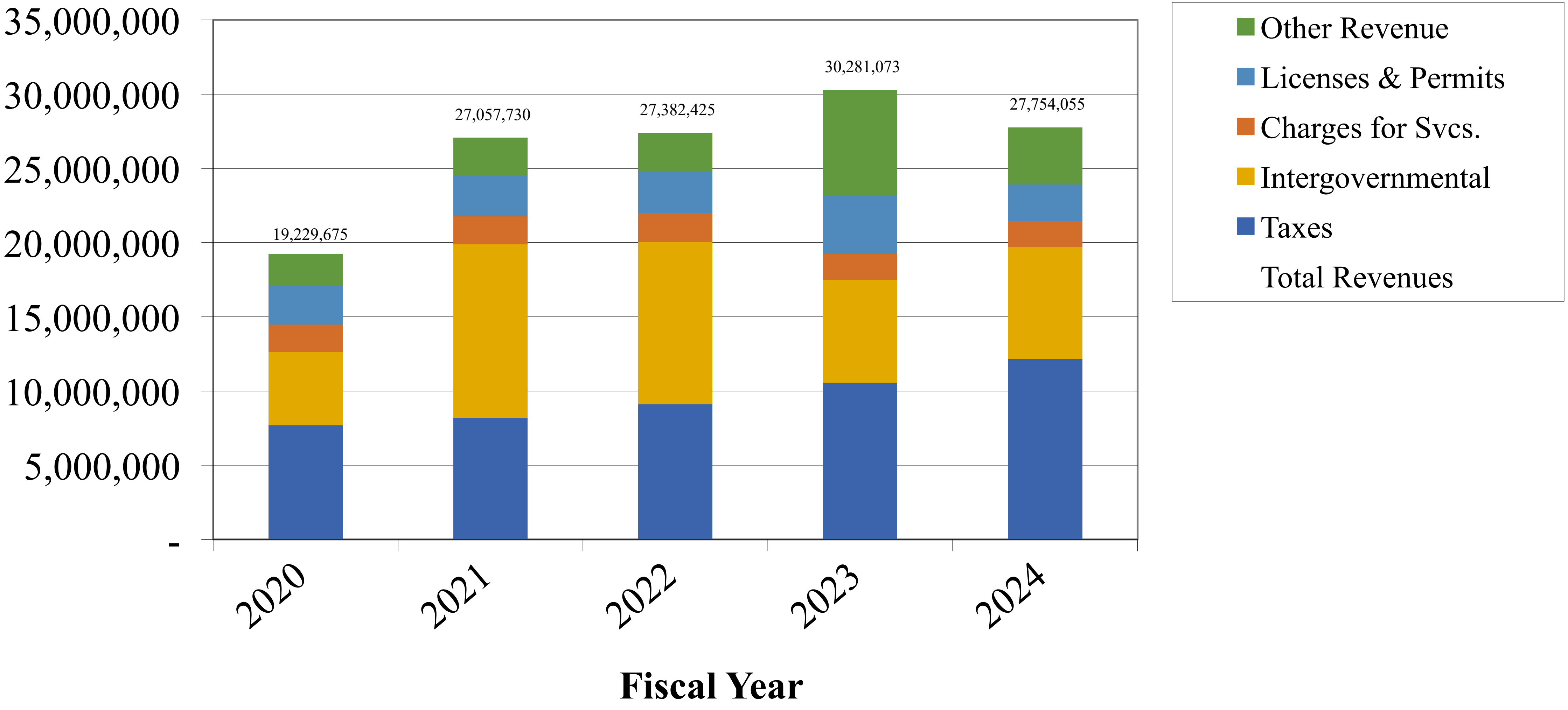
	General	Special Revenue	CRA Fund	Impact Fee Fund	Total
Revenues					
Taxes	$ 11,171,476	$ -	$ 999,142	$ -	$ 12,170,618
Licenses and Permits	2,460,151	-	-	-	2,460,151
Intergovernmental Revenue	2,489,884	5,070,598	-	-	7,560,482
Charges for Services	1,731,807	-	-	-	1,731,807
Fines and Forfeitures	85,918	-	-	-	85,918
Miscellaneous Revenue	1,296,755	844,981	197,649	420,828	2,760,213
Special Assessments	-	-	-	984,866	984,866
Total Revenues	19,235,991	5,915,579	1,196,791	1,405,694	27,754,055
Expenditures					
Current					
General Government	4,444,489	-	465,597	703,552	5,613,638
Public Safety	8,034,160	-	-	-	8,034,160
Economic Environment	-	-	-	-	-
Physical Environment	-	-	-	-	-
Public Works	2,672,881	-	-	-	2,672,881
Library	425,023	-	-	-	425,023
Capital Outlay	606,251	10,656,263	114,155	123,847	11,500,516
Debt Service					
Principal Retirement	-	472,417	-	-	472,417
Interest and Fiscal Charges	-	117,639	-	-	117,639
Total Expenditures	16,182,804	11,246,319	579,752	827,399	28,836,274
Excess of Revenues Over (Under) Expended	3,053,187	(5,330,740)	617,039	578,295	(1,082,219)
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(83,705)	-	-	-	(83,705)
Total Other Financing Sources (Uses)	(83,705)	-	-	-	(83,705)
Net Change in Fund Balances	2,969,482	(5,330,740)	617,039	578,295	(1,165,924)
Fund Balances - Beginning of Year	13,795,490	17,293,565	1,142,989	7,678,344	39,910,388
Fund Balances - End of Year	$ 16,764,972	$ 11,962,825	$ 1,760,028	$ 8,256,639	$ 38,744,464

City of Zephyrhills, Florida

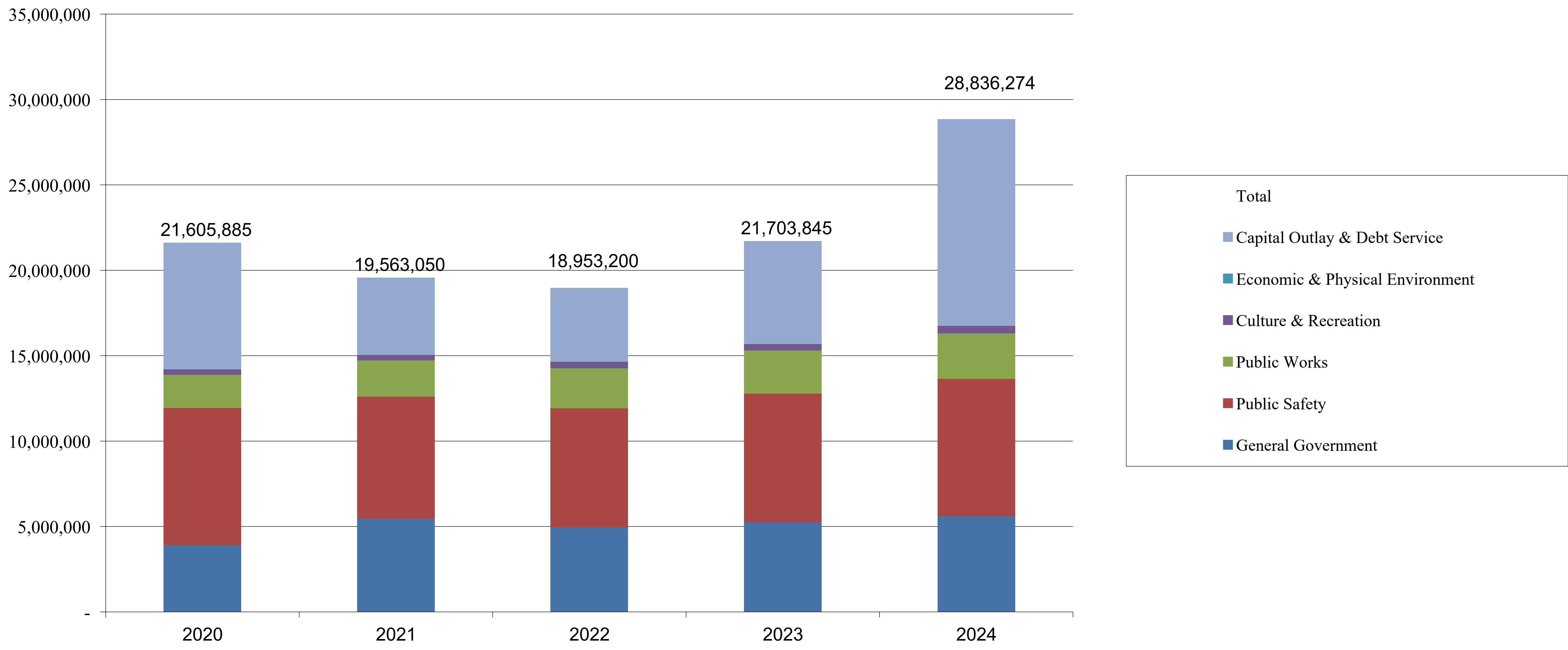
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2024

	Utility Fund	Sanitation Fund	Airport Fund	Total
Operating Revenue				
Charges for Services	$ 13,193,390	$ 2,511,730	$ 2,322,254	$ 18,027,374
Total Operating Revenue	13,193,390	2,511,730	2,322,254	18,027,374
Operating Expenses				
Personnel Services	2,179,681	638,153	516,332	3,334,166
Professional Services	1,329,559	21,761	10,632	1,361,952
Operating Supplies	71,769	73,170	7,070	152,009
Property and Casualty Insurance	379,168	93,692	108,401	581,261
Repairs and Maintenance	269,088	298,115	50,588	617,791
Utilities	670,098	2,860	44,422	717,380
Depreciation	3,943,740	334,357	1,300,377	5,578,474
Administrative Fees	1,438,331	361,440	20,000	1,819,771
Other Operating Expenses	760,794	211,093	85,055	1,056,942
Costs of Goods Resold	-	-	976,263	976,263
Total Operating Expenses	11,042,228	2,034,641	3,119,140	16,196,009
Operating Income (Loss)	2,151,162	477,089	(796,886)	1,831,365
Non-Operating Revenue (Expenses)				
Investment Income	446,012	89,303	123,164	658,479
Interest Expense/Bond Refinance	(167,301)	(1,190)	-	(168,491)
Connection Fees	1,440,907	-	-	1,440,907
Insurance Proceeds	904	-	-	904
Gain (Loss) on Sale of Asset	13,693	-	-	13,693
Total Non-Operating Revenues (Expenses)	1,734,215	88,113	123,164	1,945,492
Income Before Capital Contributions and Transfers	3,885,377	565,202	(673,722)	3,776,857
Transfers from other funds	-	(123,896)	-	(123,896)
Contribution from Customers	8,333,485	-	-	8,333,485
Capital Grants	607,243	-	1,125,923	1,733,166
Change in Net Assets	12,826,105	441,306	452,201	13,719,612
Net Assets - Beginning of Year	64,370,835	3,362,987	29,571,452	97,305,274
Net Assets - End of Year	$ 77,196,940	$ 3,804,293	$ 30,023,653	$ 111,024,886

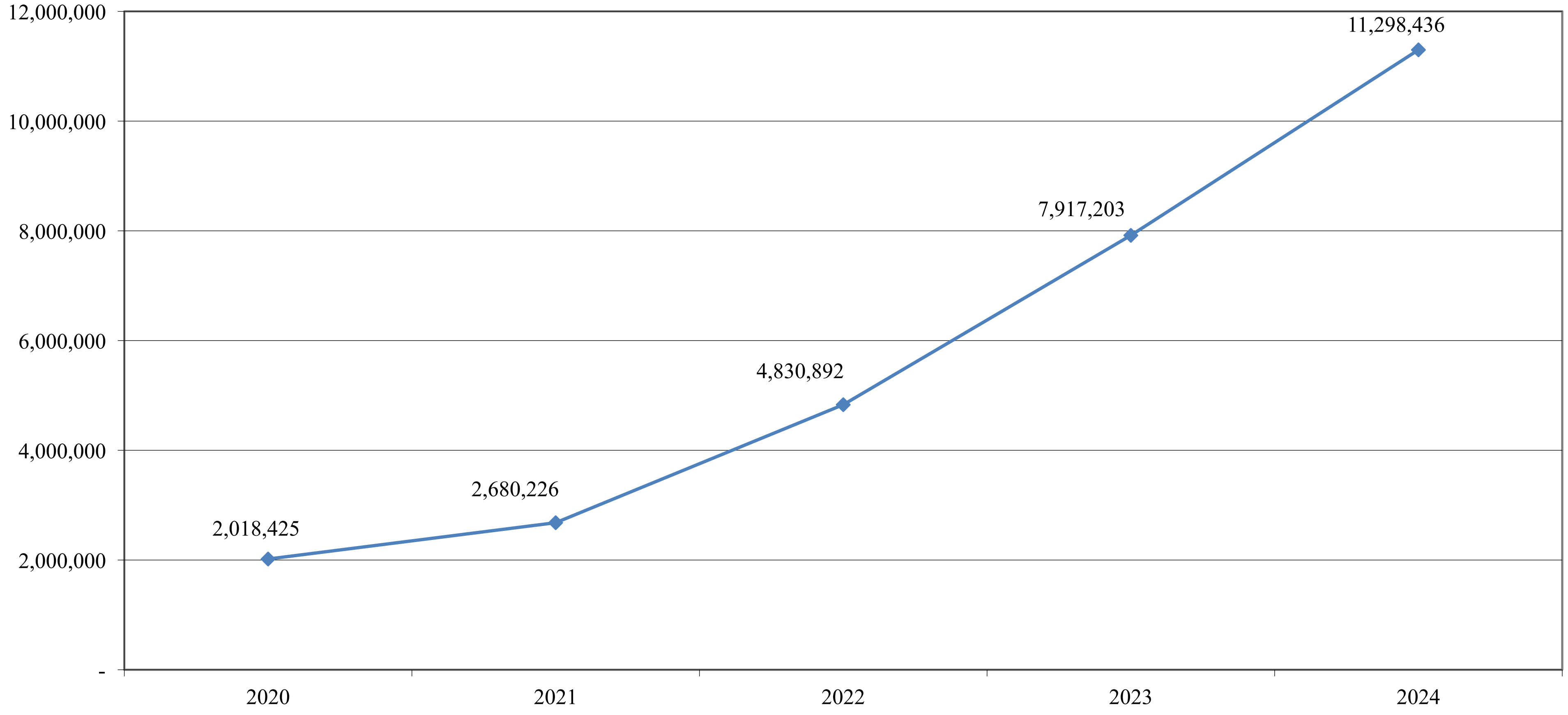
City of Zephyrhills, Florida
Total Governmental Funds - Revenue



Total Governmental Funds Expenditures



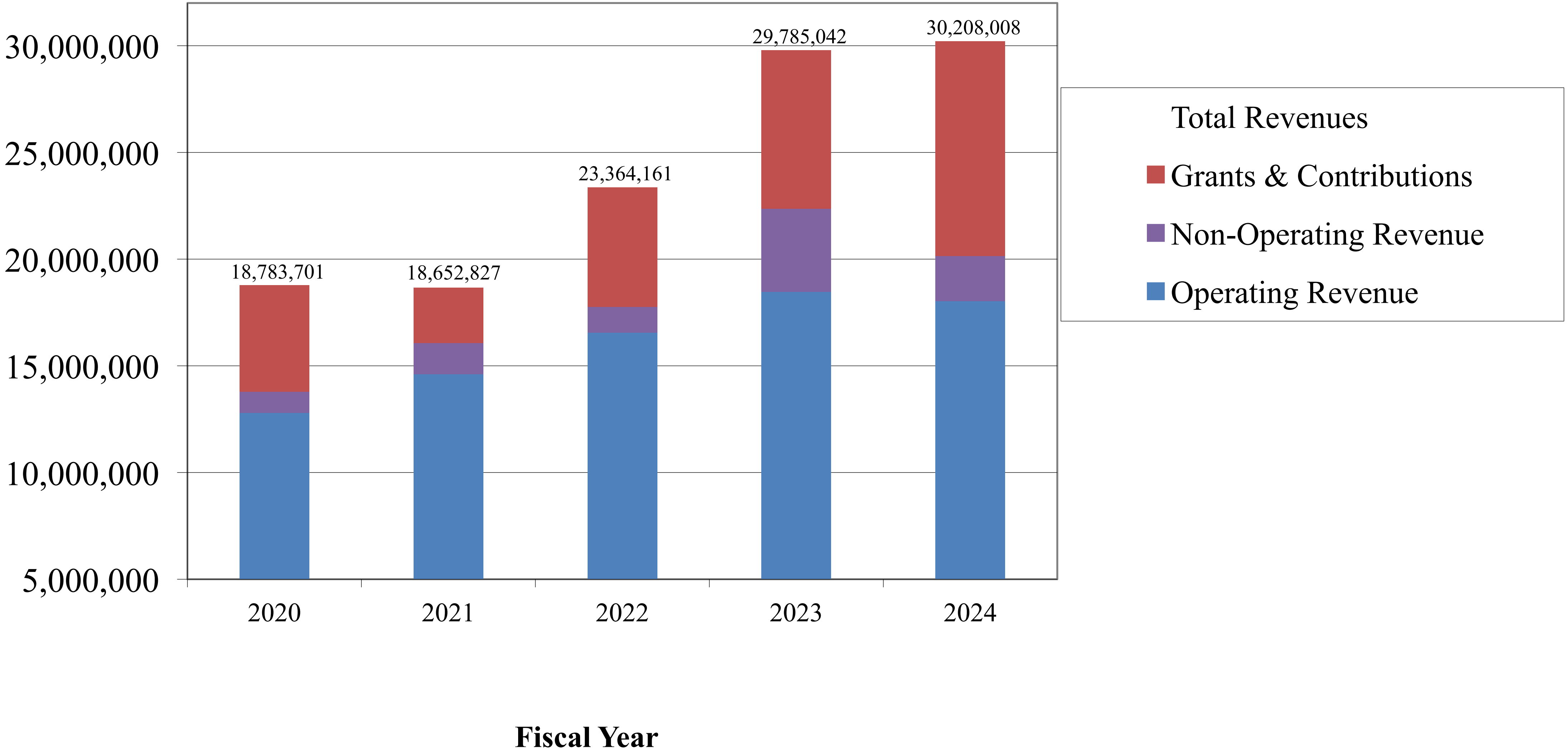
Undesignated/Unreserved
General Fund Balance



Fiscal Year

Page 3

Total Proprietary Funds - Revenue



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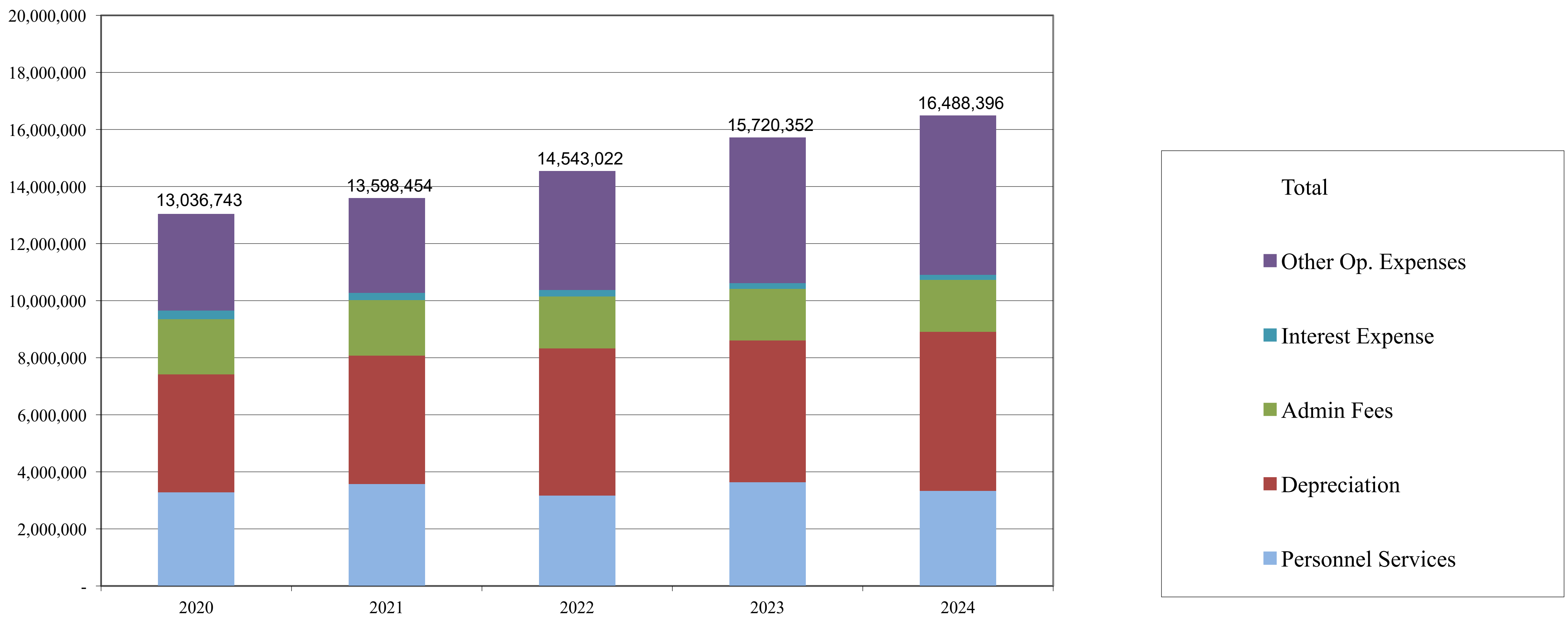
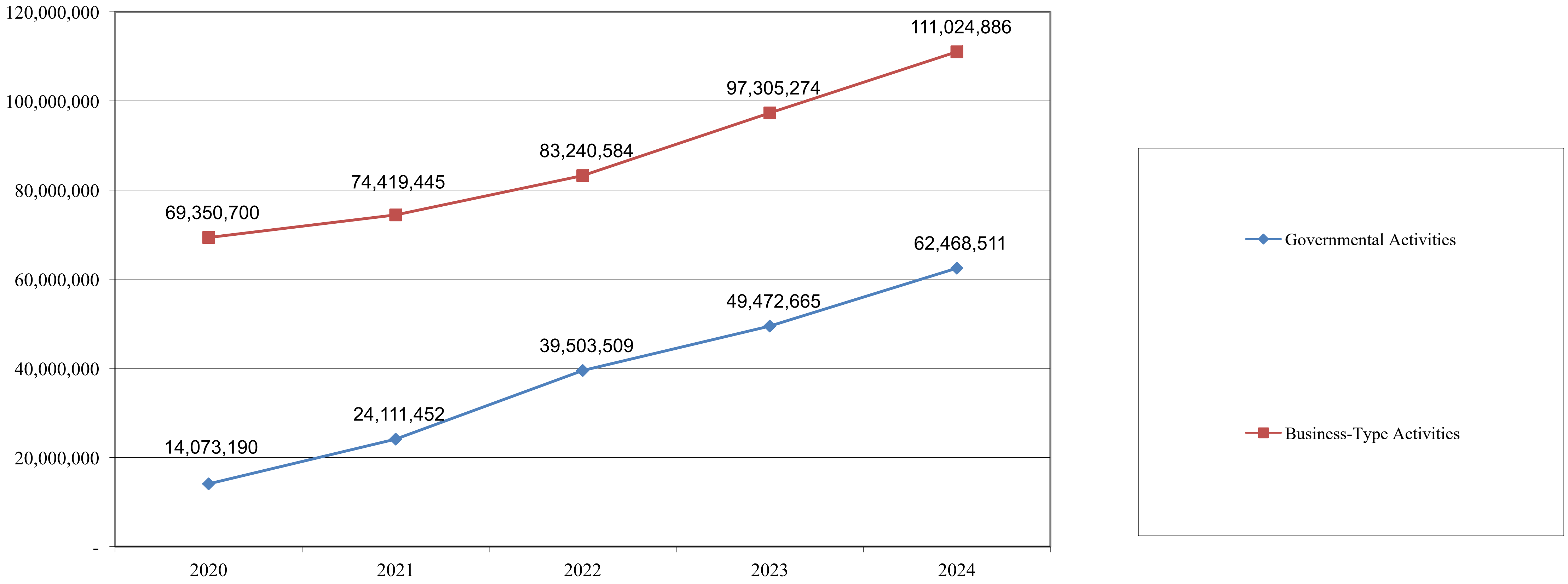
Total Proprietary Funds - Expenses



Fiscal Year
Page 5

Net Assets by Activity Type



Fiscal Year End
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City of Zephyrhills, Florida

General Purpose Financial Statements For the Year Ended September 30, 2024

Zephyrhills
jump right in

City of Zephyrhills, Florida

Officials

September 30, 2024

Elected Officials

Melonie Bahr Monson	Mayor
Kenneth M. Burgess, Jr.	President - City Council
Charles E. Proctor	Vice President - Council Member
Lance Smith	Council Member
Steven F. Spina, Ph.D	Council Member
Jodi Wilkeson	Council Member

Appointed Officials

William C. Poe, Jr.	City Manager
Matthew Maggard	City Attorney

Table of Contents

Table of Contents (continued)

6930 Gall Boulevard
Suite 200
Zephyrhills, FL 33542

813.788.2155
DGPerry.com

Independent Auditors' Report

Honorable Mayor, City Council,
and City Manager
City of Zephyrhills, FL 33542

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Zephyrhills, Florida's, internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Zephyrhills, Florida's, ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages M1 through M13 and required supplementary information on pages 47 through 59 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Zephyrhills, Florida's, basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City's internal control over financial reporting and compliance.

DGPerry
Zephyrhills, Florida
May 1, 2025

Management's Discussion and Analysis (MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Zephyrhills (the City) management discussion and analysis is designed to provide an objective and easy-to-read analysis of the City's financial activities for the year ended September 30, 2024. As with other sections of this financial report, the information contained within this narrative should be considered only as part of a greater whole. The reader should take time to read and evaluate all sections of this report, including the government-wide financial statements on page 1-3, fund financial statements on pages 4-12, footnotes on pages 13-43, and other Required Supplemental Information beginning on pages 44-72.

Efforts were made to include relative comparative prior year figures where amounts were known.

HIGHLIGHTS

Financial Highlights

- The City's total assets exceeded its total liabilities at the close of the most recent fiscal year by $173,493,397.
- The City's total net position increased by $26,715,458 (or 18.20%). The City's governmental net position increased by $12,995,846 (or 26%), mainly as a result of continued capital investment without taking on additional debt. The business-type net position increased by $13,719,612 (or 14.10%).
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $38,744,464, a decrease of $1,165,924 in comparison with the prior year. Approximately 29% or $11,298,436 of this total is unrestricted and *available for spending* at the City's discretion based on the parameters of the fund.
- General Fund revenues increased by $117,019 (or .6%). General Fund expenditures, exclusive of capital expenditures, increased by $1,285,426 (or 9%). The Net Change in General Fund Balance was an increase of $2,946,482.
- At the end of the current fiscal year, fund balance for the General Fund was $16,764,972 or 107% of total General Fund operating expenditures excluding capital outlay and debt service.
- The business-type activities (the City's Proprietary Funds) operating revenues decreased by $449,069 (or 2.4%); operating expenses increased by $666,469 (or 4.3%); operating income/loss went from an operating income of $2,414,780 in FY 2023 to $1,831,365 in FY 2024. The change in net position for the Proprietary Funds was an increase of $13,719,612 in FY 2024.
- The City's total long-term debt excluding other liabilities (namely compensated absences and Other Post-Employment Benefits OPEB) decreased by $2,566,350. The City's total long-term debt for governmental activities decreased by $462,417, while long-term debt business-type activities decreased by $2,093,933.

City Highlights

City administration took a conservative approach to balancing the fiscal year 2024 budget. The City's gross taxable property value increased for the ninth consecutive year. Ad valorem taxes increased by $1,569,608 to $8,684,227 using the millage rate of 6.2500, an increase of 4.95% over the Rolled-Back Rate of 5.9552.

Large projects include the following:

Utility – Completed construction on Northside Lift Station and Force Main project, $2,606,436, and the sewer main extensions Kossik and Fort King, $459,759.

City Government – Hercules Park, $5,013,016, sidewalks and trails $1,517,110, And South Avenue Right of Way acquisition $400,473.

Airport – terminal, box hangars, taxiway --$ 481,580, and continuing construction of Itinerant Apron, $199,630.

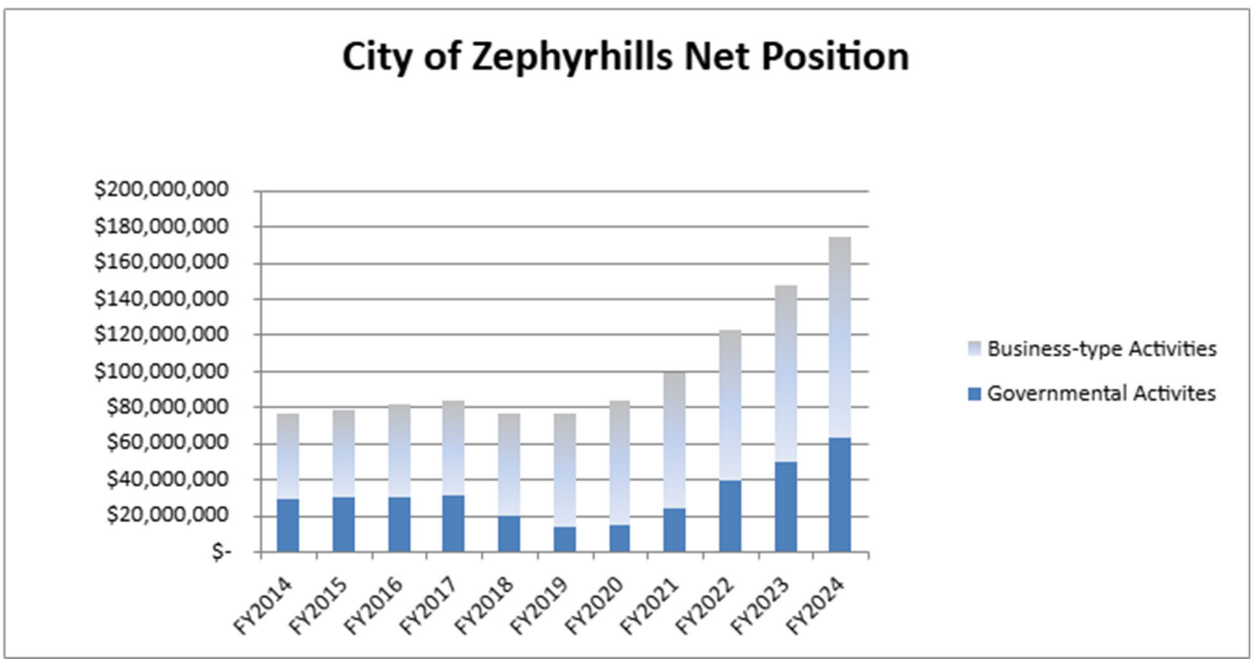
OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government- wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business, in that all governmental and business-type activities are consolidated into columns which add up to a total for the primary government.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Below is a chart showing eleven years of net asset history.



The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the City's basic services, including general government, police, fire, protective inspections, public works, community development and recreation. Property taxes, franchise fees, utility taxes, communication services taxes, gas taxes and sales taxes, along with contributions from the City's utilities, finance the majority of these services. The business-type activities reflect private sector-type operations, including water, wastewater, sanitation and airport, where the fee for service typically covers all or most of the cost of operation, including depreciation.

The government-wide financial statements can be found on pages 1-3 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Zephyrhills, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds:

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The basic governmental fund financial statements can be found on pages 4-7 of this report.

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

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Special Revenue Fund (Gas Taxes and Discretionary Sales Tax), the CRA Fund, and the Impact Fee Fund.

The City adopts an annual appropriated budget for all of its various funds. A budgetary comparison statement has been provided for the major governmental funds on pages 44-53.

Proprietary Funds:

The City of Zephyrhills maintains three proprietary funds – each an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Utility (water/wastewater) operations, for its Sanitation (i.e., solid waste collection) operation and for its Airport operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for utility, sanitation and airport funds, all of which are considered to be major City funds.

The basic proprietary fund financial statements can be found on pages 8-12.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-43 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $173,493,397 at the close of the fiscal year ending September 30, 2024.

The largest portion of the City's net position is its investment in capital assets (e.g.: land, buildings, improvements other than buildings, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Assets compared to the prior fiscal year.

Statement of Net Position at SEPTEMBER 30, 2024

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current Assets	40,809,110	41,693,250	29,952,410	29,293,183	70,761,520	70,986,433
Non-current Assets and Deferred Outflows	55,955,745	47,031,749	101,383,726	90,762,920	157,339,471	137,794,669
Total Assets and Deferred Outflows	96,764,855	88,724,999	131,336,136	120,056,103	228,100,991	208,781,102
Current Liabilities	2,773,440	2,816,162	5,110,859	5,509,752	7,884,299	8,325,914
Non-current Liabilities and Deferred Inflows	34,296,344	36,436,172	15,200,391	17,241,077	49,496,735	53,677,249
Total Liabilities	37,069,784	39,252,334	20,311,250	22,750,829	57,381,034	62,003,163
Net Position:						
Invested in capital assets, net of related debt	48,314,864	39,483,563	87,981,541	75,073,792	136,296,405	114,557,355
Restricted-Debt Svc, R/R, Extension	22,038,723	26,153,469	11,620,425	10,179,518	33,659,148	36,332,987
Unrestricted	(7,885,076)	(16,164,367)	11,422,920	12,051,964	3,537,844	(4,112,403)
Total Net Position	62,468,511	49,472,665	111,024,886	97,305,274	173,493,397	146,777,939

At the end of the current fiscal year, the City of Zephyrhills is able to report positive balances for both city-wide and business-type all categories of net position. The governmental unrestricted net position was a negative $7,885,076, an improvement from a negative 16,164,367 in Fiscal Year 2023. The improvement was partially due to the decrease in OPEB liability. For more detailed information, see the Statement of Net Position (pages 1 and 2).

Changes in Net Position

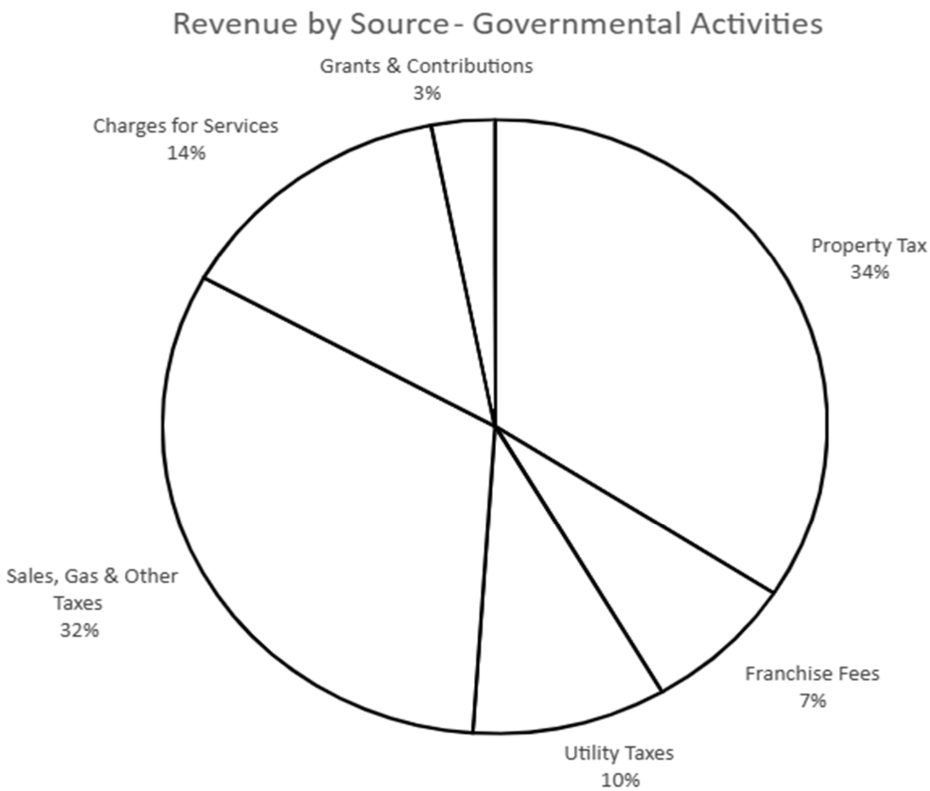
The table on the following page compares the revenues and expenses for the current and previous fiscal year. As the increased estimate of retiree health is allocated across the governmental departments, the City's Governmental activity net position increased $12,995,846 and business-type activity net position increased $13,719,612 as discussed below.

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues:						
Charges for Services	3,528,477	8,935,824	19,468,281	21,815,684	22,996,758	30,751,508
Operating Grants & Contributions	-	-	-	-	-	-
Capital Grants & Contributions	781,999	271,080	10,066,651	7,429,148	10,848,650	7,700,228
General Revenues:						
Property Taxes	8,684,227	7,114,619	-	-	8,684,227	7,114,619
Franchise Fees	1,891,749	1,879,886	-	-	1,891,749	1,879,886
Utility Taxes	2,401,570	2,475,237	-	-	2,401,570	2,475,237
Sales, Gas & Other Taxes	8,123,568	7,732,774	-	-	8,123,568	7,732,774
Investment Income	2,342,681	1,796,506	658,479	497,819	3,001,160	2,294,325
Other General Revenues	-	75,147	14,597	42,391	14,597	117,538
Total Revenues	27,754,271	30,281,073	30,208,008	29,785,042	57,962,279	60,066,115
EXPENSES						
Program Activities						
Primary Government:						
Governmental Activities:						
General Government	3,891,762	4,589,618	-	-	3,891,762	4,589,618
Public Safety	4,890,286	7,931,547	-	-	4,890,286	7,931,547
Protective Inspections	578,445	1,408,894	-	-	578,445	1,408,894
Public Works	3,790,179	4,277,587	-	-	3,790,179	4,277,587
Culture/Recreation	377,765	527,394	-	-	377,765	527,394
Economic Environment	1,112,349	1,426,509			1,112,349	1,426,509
Interest Cost	117,639	150,368	-	-	117,639	150,368
Business-type Activities:						
Utility	-	-	11,209,529	10,932,322	11,209,529	10,932,322
Sanitation	-	-	2,159,722	1,953,080	2,159,722	1,953,080
Airport	-	-	3,119,145	2,834,950	3,119,145	2,834,950
Total Expenses	14,758,425	20,311,917	16,488,396	15,720,352	31,246,821	36,032,269
Incr/Decr in Net position before Transfers	12,995,846	9,969,156	13,719,612	14,064,690	26,715,458	24,033,846
Transfers	-	-	-	-	-	-
Increase in Net position	12,995,846	9,969,156	13,719,612	14,064,690	26,715,458	24,033,846
Net Position prior year	49,472,665	24,111,452	97,305,274	83,240,584	146,777,939	107,352,036
Net Position at year end	62,468,511	49,472,665	111,024,886	97,305,274	173,493,397	146,777,939

Governmental activities

Table 2 above compares the revenues and expenses for the two activity types for the current and prior fiscal years. Net position for governmental activities increased by $12,995,846, because governmental revenues remain consistently strong while governmental expenditures fall short of budgeted projections.

As illustrated in the following chart, 76% of governmental activity revenue comes from property taxes, utility taxes, sales and other taxes.



Business-type activities

Table 2 on the previous page compares the revenues and expenses for the two activity types for the current and prior fiscal years. Combined net position for all business-type activities increased $13,719,612 – an increase in the Utility Fund of $12,862,105, an increase in the Sanitation Fund of $441,306 and an increase in the Airport Fund of $452,201. Key elements of these changes were:

- Water and sewer capacity fees for now connections continues to be strong. Moreover, water and sewer revenue continued to be strong despite a year that had historically high rainfall. There were some cost reductions transitioning from Munibilling, a third-party billing company to City staff.
- Airport continues to receive multi-million grant awards.

Normal Impacts

There are nine basic impacts on revenues and expenses as reflected below.

Revenues

Economic Condition – The economic conditions can reflect a declining, stable or growing economic environment and have a substantial impact on property, sales, gas and other tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in Council approved rates – While certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, sewer, sanitation, permitting, and impact fees).

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – Certain recurring revenues (state revenue sharing, block grants, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on a year-to-year basis.

Contribution from Utility, Sanitation and Airport Funds – The City owns and operates the Water and Wastewater services, Sanitation services and municipal Airport and provides administrative and support services for these Proprietary Funds. In return, the City receives payment from them. Therefore, the ongoing competitiveness and vitality of these funds are important to the City.

Market Impacts on Investment Income – Due to varying maturities on the City's investments and the varying nature of the market in general, the City investment income may fluctuate from year to year.

Expenses

Introduction of New Programs – Within the functional expense categories (General Government, Police, Fire, Public Works, Parks, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – Changes in service demand may cause the Council to increase/decrease authorized staffing.

Salary Increases (cost of living and market adjustment) – The ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

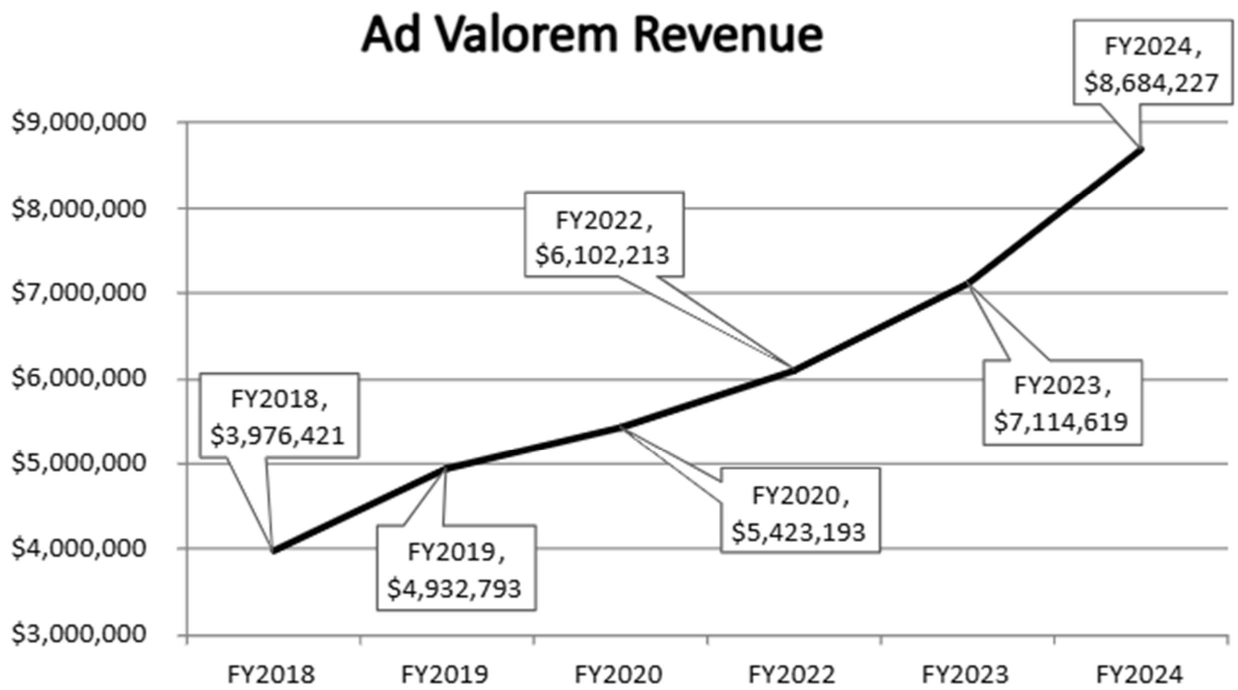
Inflation – While overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as chemicals and supplies, fuel and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Revenues

Economic Condition

The City's ad valorem revenue has increased for the seventh straight year. Ad valorem taxes increased $1,569,608, 22% more than collected in fiscal year 2023. Franchise fees, utility taxes, local option sales tax revenue increased significantly and remained the single best source of governmental capital improvements; and state shared revenues slightly increased.



As in previous years, the City received grant revenue (from the federal and state governments) in fiscal year 2024.

Expenses

Operating costs increased by 6.49% in the Governmental Funds, the Utility Fund expenditures increased by 2.78%. Operating costs increased by 11.95% in the Airport Fund and 4.28% in the Sanitation Fund. Detailed reports on operating revenues and expenditures in the governmental funds and enterprise funds are reported elsewhere in this report.

Governmental Funds

As of the year end, the governmental funds (as presented on the balance sheet on page 4) reported a combined fund balance of $38,744,464 which is 2.9% less than the prior year combined fund balance of $39,910,388. $11,298,436 constitutes an undesignated/ unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted, committed, or assigned to indicate that it is not available for new spending. Major reservations and designations include local option sales tax revenue, impact fees, community redevelopment, gas tax revenue, and cemetery perpetual care reserves.

Business-Type Funds

In total, the *Proprietary Funds,* (which include the City's *Utility, Sanitation and Airport Fund),* show net gain before capital contributions and transfers. The year-end net position is $111,024,886 which is $13,719,612 higher than the beginning of year net position. Each of these *Proprietary Funds* is to be viewed and analyzed as a separate and distinct business, thus the following commentary focuses first on the *Utility Fund,* then on the *Sanitation Fund* and finally on the *Airport Fund.*

- The *Utility Fund* has an operating income of $2,151,162 and, after non-operating revenues and expenses and capital contributions, an increase in net position of $3,885,377. Operating revenues decreased by 6.16% because of the unusually wet year. Operating expenses increased slightly by 2.78%

- The *Sanitation Fund* has an operating income of $477,089 and, after non-operating revenues and expenses and capital contributions, an increase in net position of $565,202. Operating revenues increased 7.20% from the previous year and operating expenses increased 4.28%.

Although the *Airport Fund* has an operating loss of $796,886 after non-operating revenues and expenses. Most of this loss was the result of depreciation increases due to prior and current year capital asset additions, funded mostly by Federal and State grants. Operating revenues increased by 11.95% and operating expenses increased by 10%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had $152.27 million invested in a variety of capital assets, as reflected in the following table, which represents an increase (additions less retirements and depreciation) of $19.17 million (or 14.40%) from the previous year balances.

Capital Assets at Year-End (expressed in millions) (Net of Depreciation)						
	Government Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Land	4.30	3.90	2.86	2.86	7.16	6.76
Buildings and Improvements	22.47	22.22	46.03	43.01	68.50	65.23
Improvements other than Buildings	9.07	7.37			9.07	7.37
Equipment	11.13	8.65	9.26	7.54	20.39	16.19
Infrastructure	28.87	28.11	102.09	92.37	130.96	120.48
Subscription Assets	2.25	2.37	0.00	0.00	2.25	2.37
Less: Accumulated Depreciation	-31.19	-28.65	-67.00	-61.47	-98.19	-90.12
Less: Subscription Amortization	-0.23	-0.22	0.00	0.00	-0.23	-0.22
Subtotal	46.67	43.75	93.24	84.31	139.91	128.06
Construction in Progress	6.42	0.98	5.94	4.06	12.36	5.04
Total	53.09	44.73	99.18	88.37	152.27	133.10

The following table presents a summary of the change in Capital Assets, which is presented in detail on pages 24 and 25 of the notes.

Change in Capital Assets (expressed in millions)			
	Governmental Activities	**Business-type Activities**	**Primary Government**
Net Capital Assets, beginning balance	44.73	88.37	133.10
Additions/Transfers In	11.57	16.39	27.96
Retirements/Transfers Out	(0.65)	(0.05)	(0.70)
Change in Depreciation	(2.56)	(5.53)	(8.09)
Net Capital Assets, ending balance	53.09	99.18	152.27

Debt Outstanding

As of year-end, the City had $15,985,094 million in debt (notes, capital leases payable, etc. excluding compensated absences and Other Post-Employment Benefits - OPEB obligations) outstanding compared to $18,551,444 last year, a 13.83% decrease.

Detailed information regarding the City's long term debt obligation can be found in Note 5, pages 26 through 29 of this report.

Outstanding Debt, at Year End excluding other liabilities (compensated absences, OPEB, impact fee rebate)		
	Totals	
	2024	2023
Governmental:		
Capital improvement notes	$ 4,782,517	$ 5,254,934
Sub-total	4,782,517	5,254,934
Business type:		
Bonds payable - BB&T Series Equipment Finance Lease	1,436,120	2,130,954
Capital improvement notes	9,766,457	11,165,556
Sub-total	11,202,577	13,296,510
Total	$ 15,985,094	$ 18,551,444

ECONOMIC FACTORS

The State of Florida, by constitution, does not have a state personal income tax and, therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of allowable other taxes (sales, gasoline, utility services, etc.) and fees (franchise, occupational license, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and nonrecurring (one-time) grants from both the state and federal governments.

For the business-type and certain governmental activities (permitting, etc.) the user pays a related fee or charge associated with the service.

The level of taxes, fees and charges for services (including development related impact fees) will have a bearing on the City's specific competitive ability to (a) annex additional land into its corporate limits and (b) encourage development (office, retail, residential, industrial) to choose to be located in their jurisdiction.

The City places significant emphasis on encouraging economic development (particularly in the downtown redevelopment area) and maintaining property values through rigorous code enforcement.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about this report or need additional financial information, contact the City's Finance Department at City Hall, 5335 8th Street, Zephyrhills, FL 33542, telephone (813) 780-0000.

City of Zephyrhills, Florida

Statement of Net Position
For the Year Ended September 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and Pooled Cash, Cash Equivalents, and Investments	$ 39,512,573	$ 13,631,750	$ 53,144,323
Restricted Assets:			
Cash and Pooled Cash, Cash Equivalents, and Investments			
Utility Connection Impact Fees	-	11,620,423	11,620,423
Utility Deposits	-	1,518,465	1,518,465
Receivables (Net of Allowance):			
Accounts - billed and unbilled	446,293	1,641,226	2,087,519
Due from Other Governments	826,314	743,393	1,569,707
Inventories	22,930	599,291	622,221
Lease Receivable - Short Term	-	186,418	186,418
Prepaid Items	1,000	11,444	12,444
Total Current Assets	40,809,110	29,952,410	70,761,520
Non-Current Assets			
Lease Receivable - Long Term	-	1,608,168	1,608,168
Land and Improvements	4,296,979	2,864,000	7,160,979
Building and Improvements	22,471,439	46,029,769	68,501,208
Improvements - Other than Building	9,077,087	-	9,077,087
Equipment	11,133,472	9,260,970	20,394,442
Infrastructure	28,866,507	102,094,792	130,961,299
Subscription Assets	2,247,363	-	2,247,363
Construction in Process	6,423,758	5,937,839	12,361,597
Accumulated Depreciation	(31,419,224)	(67,003,250)	(98,422,474)
Total Non-Current Assets	53,097,381	100,792,288	153,889,669
Deferred Outflows of Resources	2,858,364	591,438	3,449,802
Total Assets and Deferred Outflows of Resources	$ 96,764,855	$ 131,336,136	$ 228,100,991

The accompanying notes are an integral part of these financial statements.

City of Zephyrhills, Florida

Statement of Net Position
For the Year Ended September 30, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts Payable	$ 1,660,959	$ 1,655,565	$ 3,316,524
Customer Deposits	-	1,882,148	1,882,148
Accrued Interest Payable	-	34,746	34,746
Current Portion of:			
Revenue Bonds and Notes Payable	483,490	1,436,120	1,919,610
Subscription Asset Payable-Short Term	225,304	-	225,304
Compensated Absences	403,687	102,280	505,967
Total Current Liabilities	2,773,440	5,110,859	7,884,299
Non-Current Liabilities			
Net Pension Liability	11,447,445	2,619,176	14,066,621
Revenue Bonds and Notes Payable	4,299,027	9,766,457	14,065,484
Subscription Asset Payable-Long Term	1,432,725	-	1,432,725
Compensated Absences	1,169,945	620,369	1,790,314
Net OPEB Liability (See note 10)	11,215,677	-	11,215,677
Total Non-Current Liabilities	29,564,819	13,006,002	42,570,821
Total Liabilities	32,338,259	18,116,861	50,455,120
Deferred Inflows of Resources	1,958,085	2,194,389	4,152,474
Total Liabilities and Deferred Inflows of Resources	34,296,344	20,311,250	54,607,594
Net Position			
Investment in Capital Assets, Net of Related Debt	48,314,864	87,981,541	136,296,405
Restricted			
Infrastructure	11,962,825	-	11,962,825
Impact Fees	8,256,639	-	8,256,639
Other	1,819,259	-	1,819,259
Extensions - Utility Fund	-	11,620,425	11,620,425
Unrestricted	(7,885,076)	11,422,920	3,537,844
Total Net Position	62,468,511	111,024,886	173,493,397
Total Liabilities and Net Position	$ 96,764,855	$ 131,336,136	$ 228,100,991

The accompanying notes are an integral part of these financial statements.

City of Zephyrhills, Florida

Statement of Activities
For the Year Ended September 30, 2024

		Program Revenues			Changes in Net Position		
Functions/Programs	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ (3,891,762)	$ 1,650,893	$ -	$ 781,999	$ (1,458,870)	$ -	$ (1,458,870)
Police	(4,286,476)	53,810	-	-	(4,232,666)	-	(4,232,666)
Fire	(603,810)	-	-	-	(603,810)	-	(603,810)
Protective Inspections	(578,445)	729,625	-	-	151,180	-	151,180
Economic Environment	(1,112,349)	-	-	-	(1,112,349)	-	(1,112,349)
Public Works	(3,790,179)	1,087,329	-	-	(2,702,850)	-	(2,702,850)
Library	(377,765)	6,820	-	-	(370,945)	-	(370,945)
Interest and Fiscal Charges on Long-Term Debt	(117,639)	-	-	-	(117,639)	-	(117,639)
Total Governmental Activities	(14,758,425)	3,528,477	-	781,999	(10,447,949)	-	(10,447,949)
Business-Type Activities							
Water and Sewer	(11,209,529)	14,634,297	-	8,940,728	-	12,365,496	12,365,496
Sanitation	(2,159,722)	2,511,730	-	-	-	352,008	352,008
Airport	(3,119,145)	2,322,254	-	1,125,923	-	329,032	329,032
Total Business-Type Activities	(16,488,396)	19,468,281	-	10,066,651	-	13,046,536	13,046,536
Total	$ (31,246,821)	$ 22,996,758	$ -	$ 10,848,650	$ (10,447,949)	$ 13,046,536	$ 2,598,587

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes			
Ad Valorem	8,684,227	-	8,684,227
Franchise Fees	1,891,749	-	1,891,749
Communications Services	965,964	-	965,964
Utility Taxes	2,401,570	-	2,401,570
Business Taxes	118,852	-	118,852
State Revenue Sharing	711,455	-	711,455
Half-Cent Sales Tax	1,548,994	-	1,548,994
Local Option Gas Tax	756,674	-	756,674
Local Option Sales Tax	3,649,934	-	3,649,934
Other Taxes	154,474	-	154,474
Investment Income	2,342,681	658,479	3,001,160
Miscellaneous	217,221	-	217,221
Gain (Loss) on Asset Disposal	-	14,597	14,597
Total General Revenues and Special Items	23,443,795	673,076	24,116,871
Change in Net Position	12,995,846	13,719,612	26,715,458
Net Position Beginning of Year	49,472,665	97,305,274	146,777,939
Net Position End of Year	$ 62,468,511	$ 111,024,886	$ 173,493,397

The accompanying notes are an integral part of these financial statements.

City of Zephyrhills, Florida

Balance Sheet
Governmental Funds
For the Year Ended September 30, 2024

	General	Special Revenue	CRA Fund	Impact Fee Fund	Total
Assets					
Cash and Pooled Cash, Cash Equivalents, and Investments	$ 17,147,006	$ 12,288,038	$ 1,804,703	$ 8,272,826	$ 39,512,573
Receivables (Net of Allowance)					
Accounts Billed	446,293	-	-	-	446,293
Due from Other Governments	375,744	450,570	-	-	826,314
Inventories - at Cost	22,930	-	-	-	22,930
Prepaid Items	1,000	-	-	-	1,000
Total Assets	$ 17,992,973	$ 12,738,608	$ 1,804,703	$ 8,272,826	$ 40,809,110
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	829,027	775,783	39,962	16,187	1,660,959
Accrued Liabilities	398,974	-	4,713	-	403,687
Total Liabilities	1,228,001	775,783	44,675	16,187	2,064,646
Fund Balances					
Nonspendable:					
Inventories	22,930	-	-	-	22,930
Prepaid items	1,000	-	-	-	1,000
Restricted For:					
Community Reinvestment	165,611	-	1,760,028	-	1,925,639
Impact Fee Programs	-	-	-	8,256,639	8,256,639
Infrastructure Sales Tax Programs	-	11,485,596	-	-	11,485,596
Transportation - Fuel Tax	-	477,229	-	-	477,229
Other (Confiscated Property)	59,231	-	-	-	59,231
Assigned:					
Cemetery Perpetual Care	548,425	-	-	-	548,425
CAD Reserve	51,194	-	-	-	51,194
Recreation-ZNHH Reserve	3,846,624	-	-	-	3,846,624
Building Department Reserve	572,522	-	-	-	572,522
Other	198,999	-	-	-	198,999
Undesignated/Unreserved	11,298,436	-	-	-	11,298,436
Total Fund Balances	16,764,972	11,962,825	1,760,028	8,256,639	38,744,464
Total Liability and Fund Balances	$ 17,992,973	$ 12,738,608	$ 1,804,703	$ 8,272,826	$ 40,809,110

The accompanying notes are an integral part of these financial statements.

City of Zephyrhills, Florida

Reconciliation of the Balance Sheet to the
Statement of Net Position Governmental Funds
For the Year Ended September 30, 2024

Fund Balances - Total Governmental Funds			$ 38,744,464
Amounts reported for Governmental Activities in the Statement of Net Position are different because:			
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.			
Governmental Capital Assets	$	84,516,605	
Less: Accumulated Depreciation		(31,419,224)	53,097,381
Long-Term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.			(4,782,517)
SBITA Financing payable		(1,658,029)	
Compensated Absences - Long-Term		(1,169,945)	
Unfunded Accrued Liability - OPEB		(11,215,677)	
Net Pension Liability		(11,447,445)	
Other Deferred Inflows/Outflows		900,279	(24,590,817)
Net Assets of Governmental Activities			$ 62,468,511

The accompanying notes are an integral part of these financial statements.

City of Zephyrhills, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
For the Year Ended September 30, 2024

	General	Special Revenue	CRA Fund	Impact Fee Fund	Total
Revenues					
Taxes	$ 11,171,476	$ -	$ 999,142	$ -	$ 12,170,618
Licenses and Permits	2,460,151	-	-	-	2,460,151
Intergovernmental Revenue	2,489,884	5,070,598	-	-	7,560,482
Charges for Services	1,731,807	-	-	-	1,731,807
Fines and Forfeitures	85,918	-	-	-	85,918
Miscellaneous Revenue	1,296,755	844,981	197,649	420,828	2,760,213
Special Assessments	-	-	-	984,866	984,866
Total Revenues	19,235,991	5,915,579	1,196,791	1,405,694	27,754,055
Expenditures					
Current					
General Government	4,444,489	-	465,597	703,552	5,613,638
Public Safety	8,034,160	-	-	-	8,034,160
Economic Environment	-	-	-	-	-
Physical Environment	-	-	-	-	-
Public Works	2,672,881	-	-	-	2,672,881
Library	425,023	-	-	-	425,023
Capital Outlay	606,251	10,656,263	114,155	123,847	11,500,516
Debt Service					
Principal Retirement	-	472,417	-	-	472,417
Interest and Fiscal Charges	-	117,639	-	-	117,639
Total Expenditures	16,182,804	11,246,319	579,752	827,399	28,836,274
Excess of Revenues Over (Under) Expended	3,053,187	(5,330,740)	617,039	578,295	(1,082,219)
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(83,705)	-	-	-	(83,705)
Total Other Financing Sources (Uses)	(83,705)	-	-	-	(83,705)
Net Change in Fund Balances	2,969,482	(5,330,740)	617,039	578,295	(1,165,924)
Fund Balances - Beginning of Year	13,795,490	17,293,565	1,142,989	7,678,344	39,910,388
Fund Balances - End of Year	$ 16,764,972	$ 11,962,825	$ 1,760,028	$ 8,256,639	$ 38,744,464

The accompanying notes are an integral part of these financial statements.

City of Zephyrhills, Florida

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

Net Change in Fund Balance - Total Government Funds		$ (1,165,924)
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 those assets are depreciated over their estimated useful lives.		
Expenditures for Capital Assets	$ 11,500,516	
Expenditures for Subscription Assets	(60,026)	
Less Current Year Depreciation/Amortization	(3,085,250)	8,355,240
Proceeds from debt issue are financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		-
Estimated (increase)/decrease in Net OPEB obligations		4,662,014
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.		
Other	476,061	
Change in Subscription Assets Payable	546,174	
Change in Compensated Absences - Long-Term	(210,364)	
Other - Deferred Inflows/Outflows	444,913	
Increase Net Pension Liability	(112,268)	1,144,516
Change in Net Assets of Governmental Activities		$ 12,995,846

The accompanying notes are an integral part of these financial statements.

City of Zephyrhills, Florida

Statement of Net Position
Proprietary Funds
For the Year Ended September 30, 2024

	Utility Fund	Sanitation Fund	Airport Fund	Total
Assets				
Current Assets				
Cash and Investments	$ 9,203,897	$ 1,942,044	$ 2,485,809	$ 13,631,750
Accounts Receivable	1,337,110	326,076	54,040	1,717,226
Less: Allowance for Credit Losses	(64,000)	(12,000)	-	(76,000)
Lease Receivable - short-term	-	-	186,418	186,418
Other Prepaid Expense	11,444	-	-	11,444
Inventories of Supplies, at cost	551,545	-	47,746	599,291
Due From Other Governments	620,530	-	122,863	743,393
Due From the Federal Government	-	-	-	-
Due From Other Funds	-		-	-
Total Current Assets	11,660,526	2,256,120	2,896,876	16,813,522
Non-Current Assets				
Lease receivable - long-term	-	-	1,608,168	1,608,168
Total Non-Current Assets	-	-	1,608,168	1,608,168
Restricted Assets				
Cash and Pooled Cash, Cash Equivalents and Investments				
Utility Connection Impact Fees	11,620,425	-	-	11,620,425
Construction Fund	-	-	-	-
Sinking Fund	-	-	-	-
Renewal and Replacement	-	-	-	-
Water Reuse Reserve Fund	-	-	-	-
Utility Deposits	1,518,465	-	-	1,518,465
Total Restricted Assets	13,138,890	-	-	13,138,890
Capital Assets				
Property, Plant, Equipment and Infrastructure	116,971,856	4,794,843	44,420,672	166,187,371
Less: Accumulated Depreciation	(47,955,216)	(2,478,306)	(16,569,731)	(67,003,253)
Total Capital Assets	69,016,640	2,316,537	27,850,941	99,184,118
Total Assets	93,816,056	4,572,657	32,355,985	130,744,698
Deferred Outflows of Resources				
Deferred Pension Outflows	418,582	123,442	49,414	591,438
Total Assets and Deferred Outflows of Resources	$ 94,234,638	$ 4,696,099	$ 32,405,399	$ 131,336,136

City of Zephyrhills, Florida

Statement of Net Position
Proprietary Funds (continued)
For the Year Ended September 30, 2024

	Utility Fund	Sanitation Fund	Airport Fund	Total
Liabilities and Fund Equity				
Current Liabilities Payable from Current Assets				
Accounts Payable and Accrued Expenses	$ 976,844	$ 58,721	$ 133,980	$ 1,169,545
Water Capacity Reservation	588,300	-	-	588,300
Current Portion of Notes Payable	1,396,455	39,665	-	1,436,120
Total	2,961,599	98,386	133,980	3,193,965
Current Liabilities Payable from Restricted Assets				
Customer Deposits	1,833,447	-	48,701	1,882,148
Accrued Interest	34,746	-	-	34,746
Total	1,868,193	-	48,701	1,916,894
Total Current Liabilities	4,829,792	98,386	182,681	5,110,859
Long-Term Liabilities				
Net Pension Liabilty	1,856,197	543,413	219,566	2,619,176
Compensated Absences Payable, Long-Term Portion	265,265	156,377	198,727	620,369
Bonds and Notes Payable, Long-Term Portion	9,766,457	-	-	9,766,457
Total Long-Term Liabilities	11,887,919	699,790	418,293	13,006,002
Total Liabilities	16,717,711	798,176	600,974	18,116,861
Deferred Inflow of Resources				
Deferred Inflow of Resources - Leases	-	-	1,742,916	1,742,916
Deferred Pension Inflows	319,987	93,630	37,856	451,473
Total Liabilities and Deferred Inflow of Resources	17,037,698	891,806	2,381,746	20,311,250
Net Assets				
Invested in Capital Assets, Net of Related Debt	57,853,728	2,276,872	27,850,941	87,981,541
Restricted				
Extension - Utility fund	11,620,425	-	-	11,620,425
Unrestricted	7,722,787	1,527,421	2,172,712	11,422,920
Total Net Assets	77,196,940	3,804,293	30,023,653	111,024,886
Total Liabilities and Net Assets	$ 94,234,638	$ 4,696,099	$ 32,405,399	$ 131,336,136

The accompanying notes are an integral part of these financial statements.

City of Zephyrhills, Florida

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2024

	Utility Fund	Sanitation Fund	Airport Fund	Total
Operating Revenue				
Charges for Services	$ 13,193,390	$ 2,511,730	$ 2,322,254	$ 18,027,374
Total Operating Revenue	13,193,390	2,511,730	2,322,254	18,027,374
Operating Expenses				
Personnel Services	2,179,681	638,153	516,332	3,334,166
Professional Services	1,329,559	21,761	10,632	1,361,952
Operating Supplies	71,769	73,170	7,070	152,009
Property and Casualty Insurance	379,168	93,692	108,401	581,261
Repairs and Maintenance	269,088	298,115	50,588	617,791
Utilities	670,098	2,860	44,422	717,380
Depreciation	3,943,740	334,357	1,300,377	5,578,474
Administrative Fees	1,438,331	361,440	20,000	1,819,771
Other Operating Expenses	760,794	211,093	85,055	1,056,942
Costs of Goods Resold	-	-	976,263	976,263
Total Operating Expenses	11,042,228	2,034,641	3,119,140	16,196,009
Operating Income (Loss)	2,151,162	477,089	(796,886)	1,831,365
Non-Operating Revenue (Expenses)				
Investment Income	446,012	89,303	123,164	658,479
Interest Expense/Bond Refinance	(167,301)	(1,190)	-	(168,491)
Connection Fees	1,440,907	-	-	1,440,907
Insurance Proceeds	904	-	-	904
Gain (Loss) on Sale of Asset	13,693	-	-	13,693
Total Non-Operating Revenues (Expenses)	1,734,215	88,113	123,164	1,945,492
Income Before Capital Contributions and Transfers	3,885,377	565,202	(673,722)	3,776,857
Transfers from other funds	-	(123,896)	-	(123,896)
Contribution from Customers	8,333,485	-	-	8,333,485
Capital Grants	607,243	-	1,125,923	1,733,166
Change in Net Assets	12,826,105	441,306	452,201	13,719,612
Net Assets - Beginning of Year	64,370,835	3,362,987	29,571,452	97,305,274
Net Assets - End of Year	$ 77,196,940	$ 3,804,293	$ 30,023,653	$ 111,024,886

The accompanying notes are an integral part of these financial statements.

City of Zephyrhills, Florida

Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Utility Fund	Sanitation Fund	Airport Fund	Total
Cash Flows from Operating Activities:				
Cash Received from Customers	$ 14,734,804	$ 2,508,087	$ 2,292,932	$ 19,535,823
Cash Paid to Suppliers for Goods and Services	(3,754,273)	(785,539)	(1,486,814)	(6,026,626)
Cash Paid to and for the Benefit of Employees	(2,134,571)	(609,663)	(477,831)	(3,222,065)
Cash Paid to Other Funds for Goods or Services	(1,438,331)	(361,440)	(20,000)	(1,819,771)
Net Cash Provided (Used) by Operating Activities	7,407,629	751,445	308,287	8,467,361
Cash Flows from Capital and Related Financing Activities:				
Interfund Activity-Due to/from	(326,561)	-	(81,435)	(407,996)
Proceeds of Grant/Donations	607,243	-	1,125,923	1,733,166
Payments for Capital Acquisitions	(6,088,185)	(834,483)	(1,246,338)	(8,169,006)
Principal Repayments	(2,074,748)	(19,184)	-	(2,093,932)
Proceeds from SRF Loan	-	-	-	-
Lease- Right of Use Receivable	-	-	177,185	177,185
Interest Paid	(167,301)	(1,190)	-	(168,491)
Proceeds from Assets Sold	711	-	-	711
Net Cash Provided (Used) by Capital and Related Financing Activities	(8,048,841)	(854,857)	(24,665)	(8,928,363)
Cash Flows from Investing Activities:				
Receipt of Interest	446,012	89,303	123,164	658,479
Net Cash Provided from Investing Activities	446,012	89,303	123,164	658,479
Net Increase (Decrease) in Cash	(195,200)	(14,109)	406,786	197,477
Cash, Beginning of Year	22,537,987	1,956,153	2,079,023	26,573,163
Cash, End of Year	$ 22,342,787	$ 1,942,044	$ 2,485,809	$ 26,770,640
Reconciliation of Cash and Cash Equivalents to Balance Sheet	$ 22,342,787	$ 1,942,044	$ 2,485,809	$ 26,770,640
Unrestricted Cash and Pooled Cash, Cash Equivalents and Investments	9,203,897	1,942,044	2,485,809	13,631,750
Restricted Cash and Pooled Cash, Cash Equivalents, and Investments				
Utility Impact Fees	11,620,425	-	-	11,620,425
Customer Deposits	1,518,465	-	-	1,518,465
Total	$ 22,342,787	$ 1,942,044	$ 2,485,809	$ 26,770,640

The accompanying notes are an integral part of these financial statements.

City of Zephyrhills, Florida

Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended September 30, 2024

	Utility Fund	Sanitation Fund	Airport Fund	Total
Operating Income (Loss)	$ 2,151,162	$ 477,089	$ (796,886)	$ 1,831,365
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	3,943,740	334,357	1,300,377	5,578,474
Connection Fees	1,440,907	-	-	1,440,907
(Increase) Decrease in Accounts Receivable, Net	100,507	(3,643)	(29,322)	67,542
(Increase) Decrease in Inventories	(91,703)	-	(20,765)	(112,468)
Net Increase in Customer Deposits	57,778	-	2,347	60,125
Increase (Decrease) in Accounts Payable Suppliers	(91,719)	(18,657)	70,904	(39,472)
Increase(Decrease) Other	(148,153)	(66,191)	(256,869)	(471,213)
Increase (Decrease) in Accrued Payroll and Compensated Absences	45,110	28,490	38,501	112,101
Total Adjustments	5,256,467	274,356	1,105,173	6,635,996
Net Cash Provided (Used) by Operating Activities	$ 7,407,629	$ 751,445	$ 308,287	$ 8,467,361

Supplemental Schedule of Non-Cash Investing, Capital and Financing Activities.

An allowance for uncollectible accounts has been provided for at September 30, 2024 in the amount of $76,000.

The accompanying notes are an integral part of these financial statements.

Note 1 - Summary of Significant Accounting Policies

The City of Zephyrhills was incorporated pursuant to Florida Legislature Spec. Acts 1925, Chap. 11327, Sec. 1, as amended by Spec. Acts 1927, Chap. 13564, Sec. 1. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, public works, public health and welfare, culture, recreation, water and wastewater services.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

Defining the Financial Reporting Entity

In accordance with Governmental Accounting Standards Board Statement Number 14, the financial reporting entity includes the primary government, organizations for which the primary government is financially accountable and other organizations which, if excluded, would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority to an organization's board and either displays the ability to impose its will on that organization or the possibility that the organization will impose or provide a financial burden or benefit to the primary government.

Included within the Reporting Entity

Zephyrhills Community Redevelopment Agency: The Zephyrhills Community Redevelopment Agency was formed as a special district by Council Resolution number 437 adopted March 9, 1998. The resolution provided that the City Council itself is the governing body of the agency. The district was formed for the purpose of redevelopment of the specified area of land within the downtown area of the City of Zephyrhills.

This special district is fully dependent upon the City of Zephyrhills and its funding and expenditures are reported by the City through its Special Revenue Fund (governmental fund type). Under specific requirements as outlined in "Governmental Accounting Standards Board" (GASB) Statement 14, the special district is not considered legally separate and is not reportable as a component unit.

Basic Financial Statements - Government-Wide Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables and long-term liabilities. Governmental activities include the General Fund and Special Revenue Fund. Business-type activities include the Utility Fund, Sanitation Fund and Airport Fund.

In the government-wide Statement of Net Position, both the governmental and business-type activities (a) are presented on a consolidated basis by column and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

Note 1 - Summary of Significant Accounting Policies (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, public works, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (police, public works, community services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Basic Financial Statements - Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City has electively added funds, as major funds, which either have debt outstanding or specific community focus. Non-major funds, if any, are combined in a column in the fund financial statements. All funds of the City are considered major funds.

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The City reports these major governmental funds and fund types:

The General Fund is the City's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

The CRA Fund is used to account for revenues and expenditures specifically derived from and applicable to the Community Redevelopment Agency Area within the City.

The Impact Fee Fund is used to account for proceeds from police, fire, transportation and park impact fees that are restricted by ordinance for specific purposes.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The City reports the following proprietary fund types: Utility Water and Sewer, Sanitation, and Airport.

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services, and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied, provided they are also available. Intergovernmental revenues or grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

Note 1 - Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

The City Manager submits to the City Council a proposed operating budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage rate.

Public hearings are conducted to obtain taxpayer comments on the proposed budget and property tax millage rate.

The budget and property tax millage rate are approved by the City Council in September.

Annual budgets are adopted for the following funds: General Fund, Special Revenue Fund, and Enterprise Funds.

The City Council must approve budget amendments that affect revenue accounts or appropriations in more than one department. Expenditures may not exceed legal appropriations at the department level. Appropriations lapse at year-end. All budget amounts presented in the accompanying financial statements and supplemental information have been adjusted for revisions as approved by City Council during the year.

Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.

Budgets for the Governmental Funds are adopted on a basis consistent with generally accepted accounting principles.

Assets, Liabilities, and Fund Equity

The City utilizes a consolidated cash pool to account for cash, cash equivalents, and investments of all City funds other than those that are required by ordinance to be physically segregated. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield that are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds.

The City considers all highly liquid investments (including restricted assets), with a maturity of three months or less when purchased, to be cash equivalents. The majority of the City's pooled investments have the general characteristics of demand deposits, in that additional funds may be deposited at any time and funds may be withdrawn at any time without prior notice or penalty. Therefore, all of the pooled investments, regardless of their maturities, are considered cash equivalents.

The City participates in the Florida Prime (formerly known as the Local Government Surplus Funds Trust Fund Investment Pool) operated by the Florida State Board of Administration. Florida Prime is considered an SEC 2a-7 like fund pool in accordance with GASB statement No. 31 and is valued using the pooled share price which approximates fair value. (See also Note 2)

Investments

Investments are reported at fair value. Investments in mutual fund type securities are valued at the net asset value of the fund based on the underlying assets held in the funds. The fair value of an investment is the amount that could reasonably be expected to be received for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.

Note 1 - Summary of Significant Accounting Policies (continued)

Receivables

Utility (water and sewer and sanitation fund) operating revenues are generally recognized on the basis of cycle billings rendered monthly or quarterly. The City records estimated revenues for services delivered during the current fiscal year that will be billed during the next fiscal year.

Inventories

Inventories are stated at cost using the first-in, first-out method. Inventories in the governmental funds are accounted for by the consumption method, wherein inventories are charged as expenditures when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2024, are recorded as prepaid items.

Taxes Receivable

Other tax receivables include franchise and utility taxes that are received monthly.

Property Taxes

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pasco County Property Appraiser and Pasco County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2024, was 6.25.

The tax levy of the City is established by the City Council prior to October 1 of each year. The Pasco County Property Appraiser incorporates the millage into the total tax levy, which includes the tax requirements of the county, municipalities, independent districts, and the Pasco County School Board.

All property is reassessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Pasco County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificate may be made by the certificate holder after a period of two years. Unsold certificates are held by Pasco County.

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets acquired or constructed in excess of $750 are capitalized at historical cost. Donated assets are recorded at fair market value as of the date received. Additions, improvements, and other capital outlays that extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable assets are as follows:

Assets	Years
Sewer System	50
Water System	50
Public Domain Infrastructure	20-40
Buildings	10-50
Equipment	5-10

Net interest cost (interest cost less the interest earned on the investment of unexpended debt proceeds) is capitalized in the proprietary funds on construction projects financed with tax-exempt debt. There was no interest capitalized during the year ended September 30, 2024. Interest cost is not capitalized on projects financed by government grants, third-party donations or on assets in the governmental funds.

Compensated Absences

Annual vacation accruals vary based on the years of service. The maximum number of annual leave hours that an employee may accrue is 320 hours.

Medical leave accumulates at the rate of 8 hours for each month worked with no maximum accumulation. Payment for unused medical leave will be made at termination of employment based on years of service. A provision for accumulated absences, related payroll taxes and retirement has been made in the financial statements as of September 30, 2024.

Employees with 25 or more years of service that elect to resign, retire, and/or enter into the DROP Program, and provide the City with a 12 month written notice, may carry over all accrued annual leave up to the maximum allowed by the Florida Retirement System (currently 500 hours). This is retroactive to July 1, 2001.

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is presented in three components - invested in capital assets (net of related debt), restricted, and unrestricted.

Invested in Capital Assets (net of related debt)

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

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Note 1 - Summary of Significant Accounting Policies (continued)

Restricted
This component consists of net position that has constraints placed on them either externally by third parties (creditors, grantors, and contributors) or by law through constitutional provisions of enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use of these funds.

Unrestricted
This component consists of net position that does not meet the definition of “invested in capital assets, net of related debt” and “restricted”. Designations of net position made by the City’s management are included in this component because these types of constraints are internal, and management can remove or modify them.

Fund Balances
In the fund financial statements, fund balance for governmental funds (General Fund, Special Revenue Fund, CRA Fund, Impact Fee Fund) is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Under GASB 54 requirements, fund balance is reported as five possible components – nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable
This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted
This component includes amounts reported as restricted when constraints placed on the use of the resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed
This component includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Such amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned
This component is used to report the government’s intent to use the amount for a specific purpose but are neither restricted, nor committed.

Note 1 - Summary of Significant Accounting Policies (continued)

Unassigned

This component is the residual classification for the general fund. This amount represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

In governmental funds, bond discounts and issuance costs are recognized in the current period. In the proprietary funds, bond discounts and issuance costs are deferred and amortized over the term of the bonds using the straight-line method of accounting, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred outflows of resources.

Pensions

In the government-wide statement of net position, liabilities are recognized for the City's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the City's statement of net position represent changes in actuarial assumptions, the net difference between projected and actual earnings on Health Insurance Subsidy Program investments, changes in the proportion and differences between the City's contributions and proportionate share of contributions, and the City's contributions subsequent to the measurement date, relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as increases in pension expense in future years.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the City's statement of net position represent the difference between expected and actual economic experience, the net difference between projected and actual earnings on Florida Retirement System Pension investments, and changes in the proportion and differences between the City's contributions and proportionate share of contributions relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as reductions in pension expense in future years.

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation where applicable.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Cash and Pooled Cash, Cash Equivalents, and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments" under each fund's caption.

Cash and Investments include amounts in demand deposits (including sweep account features), United States Treasury Notes, bank certificates of deposit, repurchase agreements and deposits with the State Board of Administration of Florida's Prime Fund.

Fiscal management policies designed to comply with Florida statutes authorize the government to invest in:

A. The Florida Prime Fund (SBA) and the Florida Municipal Investment Trust.

B. Negotiable direct obligations or obligations where the principal and interest are unconditionally guaranteed by the United States Government.

C. Non-negotiable interest-bearing time certificates of deposit or savings accounts in banks and savings associations under the laws of this state and/or in national banks or savings associations organized under the law of the United States and doing business and situated in this state, provided that any such deposits are secured by the Florida Security of Public Deposits Act Chapter 280, Florida Statutes, and provided that the bank or savings association is not listed with any recognized credit watch information service.

D. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by United States agencies provided such obligations are backed by the full faith and credit of the United States Government.

Note 2 - Cash and Pooled Cash, Cash Equivalents, and Investments (continued)

E. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by United States Government agencies (Federal Instrumentalities), which are non-full faith and credit agencies limited to the following:

- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank or its district banks (FHLB)
- Federal National Mortgage Association (FNMA)-FNMA guaranteed pass-through obligations
- Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal Home Loan Mortgage Corporation participation certificates
- Student Loan Marketing Association (Sallie-Mae)
- Tennessee Valley Authority (TVA)

F. Repurchase agreements comprised of only those investments as authorized in Section B, C and D above.

All demand deposits and certificates of deposit are covered by FDIC insurance and collateral pledged with the State Treasurer by the applicable banks. This is done in compliance with Section 280, Florida Statutes, which provides that in the event of a default by any such bank or savings and loan association, all participating banks and savings and loan associations throughout the State would be obligated to reimburse the government for any loss. Funds on deposit in repurchase agreements and the Florida Local Government Investment Pool (Florida Prime) are not covered by FDIC insurance or Florida Section 280.

Pooled Cash and Investments consist of the following amounts and maturities as of September 30, 2024:

The Florida Prime is rated by Standard and Poors as AAAm. The weighted average days to maturity of the Florida Prime as of September 30, 2024, was 60 days.

		Investment Maturity (in years)	
Deposit/Investment Type	Fair Value	Less than 1 year	5+ Years
Florida Prime	$ 30,343,677	$ 30,343,677	$ -
Florida Prime 2	4,737,950	4,737,950	$ -
FL SAFE	28,014,687	28,014,687	-
Bank Demand Deposit Account	1,415,461	1,415,461	-
	$ 64,511,775	$ 64,511,775	$ -

The Florida Local Government Investment Trust is maintained in the short-term bond fund, which had a rating of AAAf and a weighted duration to maturity of 1.76 years as of September 30, 2024.
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Note 2 - Cash and Pooled Cash, Cash Equivalents, and Investments (continued)

Interest Rate Risk

As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution and limits holdings in any type of investment with any one issuer. The City coordinates its investment maturities to closely match cash flow needs and has generally restricted the maximum investment term to less than five years from the purchase date.

Equity in pooled cash and investments by fund are:

Fund	Deposit Type	Amount
General Fund	Unrestricted	$ 17,146,142
Special Revenue Fund	Unrestricted	12,288,039
CRA Fund	Unrestricted	1,804,702
Impact Fee Fund	Unrestricted	8,272,826
Proprietary Funds	Unrestricted	13,379,640
Proprietary Funds	Restricted	11,620,425
	Total Pooled Cash and Investments	$ 64,511,774

Note 3 - Receivables

The receivables and related allowances for uncollectibles at September 30, 2024 were as follows:

	Receivables	Allowance for Uncollectibles	Net
General Fund	$ 446,293	$ -	$ 446,293
Special Revenue Fund	-	-	-
Impact Fee Fund	-	-	-
Enterprise Funds	1,717,226	(76,000)	1,641,226
Total	$ 2,163,519	$ (76,000)	$ 2,087,519

Note 4 - Capital Assets

Governmental activities' capital asset activity for the fiscal year ending September 30, 2024, was as follows:

Governmental Activities	Beginning Balance 10/1/2023	Additions/ Transfers In	Deletions/ Transfers Out	Reclassifying Asset Adjustments	Ending Balance 9/30/2024
Non-Depreciable Assets					
Land and Improvements	$ 3,896,505	$ 400,474	$ -	$ -	$ 4,296,979
Depreciable Assets					
Buildings and Improvements	22,222,268	249,171	-	-	22,471,439
Improvements Other than Buildings	7,372,453	1,704,634	-	-	9,077,087
Equipment	8,646,108	3,018,510	531,146	-	11,133,472
Infrastructure	28,113,943	642,289	-	110,275	28,866,507
Subscription Assets	2,372,357	-	124,994	-	2,247,363
Construction in Progress	979,983	5,554,050	110,275	-	6,423,758
Total at Historical Cost	73,603,617	11,569,128	766,415	110,275	84,516,605
Less Accumulated Depreciation for					
Land and Land Improvements	-		-	-	-
Buildings and Improvements	6,042,961	947,772	-	-	6,990,733
Improvements Other than Buildings	4,128,036	318,101	-	-	4,446,137
Equipment	5,043,446	609,840	531,147	-	5,122,139
Subscription Asset	219,565	233,069	-	-	452,634
Infrastructure	13,431,113	976,468	-	-	14,407,581
Total Accumulated Depreciation	28,865,121	3,085,250	531,147	-	31,419,224
Capital Assets, Net	$ 44,738,496	$ 8,483,878	$ 235,268	$ 110,275	$ 53,097,381

On September 27, 2020, the City entered into an interlocal agreement with Pasco County for the assumption of the City's fire suppression and first responder responsibilities for the benefit of the City's residents. Upon the commencement of the agreement, the City transferred to the County the fire station properties, vehicles and fire equipment with the agreement that the County will reimburse the City the assessed market value for the assets to be paid in the form of credits against future payments for services.

Note 4 - Capital Assets (continued)

Depreciation was charged to the governmental activities as follows:

General Government	
Administration	$ 326,063
Other General Government	9,115
Total General Government	335,178
Public Safety	
Fire Department	-
Police Department	705,363
Protective Inspection	20,093
Total Public Safety	725,456
Public Works	
Streets	1,268,964
Equipment Maintenance	22,417
Parks and Facility Management	628,641
Total Public Works	1,920,022
Culture and Recreation	
Library	104,594
Total Culture and Recreation	104,594
Total	$ 3,085,250

Business-Type activities' capital asset activity for the fiscal year ending September 30, 2024, was as follows:

Business-Type Activities:	Beginning Balance 10/1/2023	Additions/ Transfers In	Deletions/ Transfers Out	Reclassifying Asset Adjustments	Ending Balance 9/30/2024
Non-Depreciable Assets					
Land and Improvements	$ 2,864,000	$ -	$ -	$ -	$ 2,864,000
Depreciable Assets					
Buildings and Improvements	43,013,499	3,016,270	-	-	46,029,769
Equipment	7,536,770	1,773,480	49,280	-	9,260,970
Infrastructure	92,371,927	9,091,999	-	630,866	102,094,792
Construction in Progress	4,058,163	2,510,542	630,866	-	5,937,839
Total at Historical Cost	149,844,359	16,392,291	680,146	630,866	166,187,370
Less Accumulated Depreciation for					
Buildings and Improvements and Infrastructure	58,271,217	4,903,065	-	-	63,174,282
Equipment	3,202,841	675,408	49,280	-	3,828,969
Total Accumulated Depreciation	61,474,058	5,578,473	49,280	-	67,003,251
Capital Assets, Net	$ 88,370,301	$ 10,813,818	$ 630,866	$ 630,866	$ 99,184,119

Note 5 – Leases

The City is a lessor for noncancellable leases of buildings, parking spaces and land. The City recognizes a lease receivable and a deferred inflow of resources for these leases in the financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Lease payments to be received under reasonably certain extension options are also included in the measurement of the lease receivable. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as lease revenue over the term of the lease. Key estimates and judgments related to leases include how the City determines the discount rate it uses to discount the expected lease receipts to present value, the lease term, and the lease receipts.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments to be received under the lease. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The City is the lessor on 14 noncancelable airport related leases:

Name	Start Date	End Date
Kern’s Family Construction	February 11, 2019	February 10, 2049
Sunpath – Elite Rigging	April 15, 1997	April 14, 2047
TKM Aviation	June 13, 2016	June 12, 2046
Blue Sky Air Services LLC	September 1, 2010	August 31, 2040
Hawk Aviation	October 1, 2018	September 30, 2038
B & H Construction of Florida	September 1, 2005	September 25, 2035
Dan Evans	January 1, 2004	January 31, 2033
Z-Hills Under Par Inc.	May 1, 2022	April 30, 2032
Sky Dive City	October 25, 2010	October 24, 2030
Posada Aviation LLC	February 15, 2000	February 14, 2030
Elite Enterprises of Florida Inc.	July 1, 1998	June 30, 2028
Tampa Bay Soaring	August 1, 2017	July 31, 2027
Evolution Aircraft, Inc.	April 1, 2016	March 31, 2026
Zephyr Aircraft Engines	August 10, 2015	August 10, 2025

Note 5 – Leases (continued)

The City recorded an initial lease receivable of $2,145,109 during Fiscal Year 2023. The ending lease receivable balance at September 30, 2024 was $1,794,584. Future payments were discounted using an interest rate of 1.04%. The expected principal and interest payments to maturity are summarized in the table below.

	Principal and Interest Expected to Maturity		
	Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ 186,418	$ 17,206	$ 203,624
2026	147,145	15,526	$ 162,671
2027	137,621	14,123	$ 151,744
2028	131,400	12,784	$ 144,184
2029	131,509	11,474	$ 142,983
2029 - 2034	499,085	40,920	$ 540,005
2034 - 2039	398,517	17,278	$ 415,795
2039 - 2050	164,347	6,612	170,959
TOTAL	1,796,042	135,923	1,931,965
Less (PV discount)			(137,381)
Lease Receivable			$ 1,794,584

Note 6 – Subscription Liabilities

As of October 1, 2022, the City of Zephyrhills implemented the requirements of GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about government's subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset.

At the commencement of a SBITA, the City initially measures the subscription liability amount by the present value of subscription payments expected to be made during the subscription term with future payments discounted by the interest rate of the SBITA (If the interest rate is not defined by the SBITA vendor, the City uses its own incremental borrowing rate). The liability is reduced as payments are made. The subscription asset is measured as the sum of the initial subscription liability amount, payments made prior to the commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the vendor at or before the commencement of the subscription term. The amortization of the asset is recognized as an outflow of resources over the subscription term.

The subscription term includes the noncancellable period of the subscription. In determining the subscription term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the agreement term if it is reasonably certain that the subscription will to be extended. The City monitors changes in circumstances that would require a remeasurement of its Subscription-based Information Technology Arrangements and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Note 6 – Subscription Liabilities (continued)

The expected principal and interest payments to maturity are summarized in the table below.

	Principal and Interest Expected to Maturity		
	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ 224,061	$ 1,243	$ 225,304
2026	224,243	1,061	225,304
2027	224,427	877	225,304
2028	174,130	734	174,864
2029	174,274	591	174,865
2029 - 2034	698,564	894	699,458
TOTAL	1,719,699	5,400	1,725,099
Less (PV discount)			(67,070)
Lease Receivable			$ 1,658,029

Note 7 - Long-Term Debt

Long-term debt activity for the fiscal year ending September 30, 2024 is as follows:

Governmental Activities	Beginning Balance 10/1/2023	Increases	Decreases	Ending Balance 9/30/2024	Amounts Due Within One Year
Notes and Leases Payable					
Bond Payable, JP Morgan Chase Bank, N.A. (City Hall Project)	$ 5,254,934	$ -	$ 472,417	$ 4,782,517	$ 483,490
Total Notes and Leases Payable	5,254,934	-	472,417	4,782,517	483,490
Other Liabilities					
Net OPEB Obligations	15,877,691	1,535,453	6,197,467	11,215,677	-
Compensated Absences	1,385,531	523,159	312,795	1,595,895	425,950
Total Long-term Liabilities Governmental Activities	$ 22,518,156	$ 2,058,612	$ 6,982,679	$ 17,594,089	$ 909,440

City of Zephyrhills, FL has an Infrastructure Sales Surtax Revenue Bond (Series 217 Bond) obligation to JP Morgan Chase Bank, N.A. (City Hall Project) bearing interest at 2.344%. The Bond is payable in one principal payment per year and two interest payments per year, with total annual payments of $595,592. Interest is payable on April 1 and October 1 each year. Closing date of the Series 217 Bond was October 25, 2017. The Bond is payable from Non-Ad Valorem revenues which must be budgeted and appropriated each year. The full faith and credit of the City is not pledged to the payment of the Bond. The Bond cannot be prepaid prior to October 25, 2022.

Principal and interest payments for the years following September 30, 2024, are as follows:

	Principal	Interest
2025	483,490	106,436
2026	494,823	94,970
2027	506,422	83,235
2028	518,292	71,226
2029 to 2033	2,779,490	165,896
Total	$ 4,782,517	$ 521,763

Note 7 - Long-Term Debt (continued)

	Beginning Balance 10/01/23	Increases	Decreases	Ending Balance 09/30/24	Amounts Due Within One Year
Business-Type Activities					
Bonds Payable, BB&T Series	$ 2,130,954	$ -	$ 694,834	$ 1,436,120	$ 737,915
Total Bond Payable	2,130,954	-	694,834	1,436,120	737,915
EPA Loan to Utility Fund (SRF)	11,165,556	-	1,399,099	9,766,457	1,184,708
Total Bonds and Notes Payable	13,296,510	-	2,093,933	11,202,577	1,922,623
Other Liabilities					
Compensated Absences	639,251	182,123	82,840	738,534	102,280
Total Long-Term Business-Type Activities	$ 13,935,761	$ 182,123	$ 2,176,773	$ 11,941,111	$ 2,024,903

Clean Water State Revolving Fund Loan Agreement

In connection with necessary expansion of the wastewater treatment plant, the City approved funding of said improvement by use of a loan from the state revolving loan fund and EPA. The total commitment available to the City is $19,749,018, including construction period capitalized interest.

The loan provides for interest at the rate of 2.12% and requires semi-annual payments of $1,159,261. The construction was substantially completed as of September 30, 2008, and the plant is in operation.

In the year ending September 30, 2021 the City received an additional loan for waste water treatment plant improvements in the amount of $6,188,840 of which they took disbursements in the amount of $5,882,370 in prior years and $0 in the current year. The loan provides for 0% interest and requires semi-annual payments of $157,815.

All Utility Fund revenues, including connection fees, have been pledged as collateral for the loans.

Note 7 - Long-Term Debt (continued)

The following repayment schedule is based on funds draw down as of September 30, 2024.

Year	Principal	Interest Rate	Interest Amount	Total EPA Loan Service Requirement
2025	1,423,544	0% - 2.12%	44,065	1,467,609
2026	1,446,373	0% - 2.12%	32,651	1,479,024
2027	1,469,688	0% - 2.12%	20,993	1,490,681
2028	1,493,450	0% - 2.12%	9,087	1,502,537
2029	352,414	0% - 2.12%	13,435	365,849
2030	352,414	0.00%	-	352,414
2031	352,414	0.00%	-	352,414
2032	352,414	0.00%	-	352,414
2033	352,414	0.00%	-	352,414
2034	352,414	0.00%	-	352,414
2035	352,414	0.00%	-	352,414
2036	352,414	0.00%	-	352,414
2037	352,414	0.00%	-	352,414
2038	352,414	0.00%	-	352,414
2039	317,302	0.00%	-	317,302
2040-2046	91,960	0.00%	-	91,960
	$ 9,766,457		$ 120,231	$ 9,886,688

The City of Zephyrhills borrowed money from the US Department of Environmental Protection Agency. The loans were passed through the Florida Department of Environmental Protection, Clean Water State Revolving Fund. The funds were also associated with the American Recovery and Reinvestment Act. The proceeds were used to upgrade and expand the existing Wastewater Treatment Plant.

Note 7 - Long-Term Debt (continued)

During fiscal year 2016, the City issued $6,591,078 for long-term financing of equipment upgrades and related costs for the Utility and Sanitation funds. The debt is in the form of a lease-purchase agreement and is reported as Bonds Payable, BB&T Series Equipment Finance lease. The following is a schedule of maturities under this agreement:

Year	Principal	Interest Rate	Interest Amount	Total BB&T Loan Service Requirement
2025	710,205	2.20%	27,710	737,915
2026	725,915	2.20%	11,995	737,910
	$ 1,436,120		$ 39,705	$ 1,475,825

Total Annual Business Activities Debt Service Requirements - excluding compensated absences:

Year	Principal	Interest	Total
2025	2,133,749	71,775	2,205,524
2026	2,172,288	44,646	2,216,934
2027	1,469,688	20,993	1,490,681
2028	1,493,450	9,087	1,502,537
2029	352,414	13,435	365,849
2029-2040	3,580,988	-	3,580,988
	$ 11,202,577	$ 159,936	$ 11,362,513

The City is in compliance with all significant debt requirements.

Note 8 - Employee Retirement Systems and Pension

Florida Retirement System (FRS)

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially, all regular employees of the City are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The City's pension expense totaled $2,965,480 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2024.

Note 8 - Employee Retirement Systems and Pension (continued)

Florida Retirement System Pension Plan
The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Note 8 - Employee Retirement Systems and Pension (continued)

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirment Age/Years of Service:	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Note 8 - Employee Retirement Systems and Pension (continued)

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the City, effective July 1, 2023, were applied to employee salaries as follows: Regular–12.33%, Senior Management 41.89%, and DROP participants 19.13%. The City's contributions to the FRS Plan were $1,640,381 for year ended September 30, 2024.

Pension Costs

At September 30, 2024, the City reported a liability of $10,908,821 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2024, the City's proportion was 0.028199359%, which was a decrease of 0.000934623% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the City recognized pension expense of $1,140,376. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 1,102,086	$ -
Changes in Actuarial Assumptions	1,495,156	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	725,058
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	312,727	1,109,216
City Contributions Subsequent to the Measurement Date	386,659	-
Total	$ 3,296,628	$ 1,834,274

Note 8 - Employee Retirement Systems and Pension (continued)

The $3,296,628 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended September 30,	Amount
2025	$ (664,459)
2026	1,423,407
2027	135,750
2028	65,253
2029	115,744
Thereafter	$ -

Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

FRS Actuarial Assumptions	
Inflation	2.40 % per year
Salary Increases	3.50%, Average, Including Inflation
Investment Rate of Return	6.70%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PUB-2010 table which varies by member category and sex, projected generationally with Projection Scale MP-2018. The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Note 8 - Employee Retirement Systems and Pension (continued)

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.30%	3.30%	1.10%
Fixed Income	29.00%	5.70%	5.60%	3.90%
Global Equity	45.00%	8.60%	7.00%	18.20%
Real Estate (Property)	12.00%	8.10%	6.80%	16.60%
Private Equity	11.00%	12.40%	8.80%	28.40%
Strategic Investments	2.00%	6.50%	6.20%	8.70%
Totals	100.00%			
Assumed Inflation - Mean			2.40%	1.50%

(1) As outlined in the Pension Plan's investment policy.

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Note 8 - Employee Retirement Systems and Pension (continued)

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease Discount Rate	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.70%	6.70%	7.70%
Council's Proportionate Share of the FRS Plan Net Pension Liability (Asset)	$ 19,188,264	$ 10,908,838	$ 3,973,063

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at http://www.dms.myflorida.com.

Health Insurance Subsidy Program (HIS)

The Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2023, the contribution rate was 1.67 percent of payroll pursuant to Section 112.363, Florida Statues. The City contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were $183,397 for the year ended September 30, 2024.

Note 8 - Employee Retirement Systems and Pension (continued)

Pension Costs

At September 30, 2024, the City reported a liability of $3,157,783 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all participating employers. At June 30, 2024, the City's proportion was 0.0210505%.

For the year ended September 30, 2024, the City recognized pension expense of $80,659 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 30,491	$ 6,063
Changes in Actuarial Assumptions	55,885	373,841
Net Difference Between Projected and Actual Earnings on HIS Program Investments	-	1,142
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	23,545	194,238
City Contributions Subsequent to the Measurement Date	43,253	-
Total	$ 153,174	$ 575,284

The $153,174 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended September 30,	Amount
2025	$ (110,443)
2026	(117,455)
2027	(122,131)
2028	(69,549)
2029	(35,724)
Thereafter	(10,061)

Note 8 - Employee Retirement Systems and Pension (continued)

Actuarial Assumptions

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

HIS Actuarial Assumptions	
Inflation	2.40 % per year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.65%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study of the FRS Pension Plan for the period July 1, 2013, through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 3.93% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease Discount Rate	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.93%	3.93%	4.93%
Council's Proportionate Share of the HIS Plan Net Pension Liability	$ 3,594,730	$ 3,157,783	$ 2,795,046

Note 8 - Employee Retirement Systems and Pension (continued)

Pension Plan Fiduciary Net Position
Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at http://www.dms.myflorida.com.

Note 9 - Deferred Compensation Plan

The City has created a deferred compensation plan which is available to all employees in accordance with Internal Revenue Code 457. The plan is administered by independent plan administrators through applicable service agreements. Various options are available for all City employees.

Certain provisions of the Small Business Job Protection Act of 1996 affect Internal Revenue Code Section 457 plans by eliminating the requirement that Section 457 plan assets remain assets of the sponsoring government. The Act now requires that amounts deferred under Section 457 be held in trust for the exclusive benefit of participating employees and not be accessible by the government or its creditors.

Note 10 - Other Post-Employment Benefits

Effective for the fiscal year ended September 30, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* which supersedes previous accounting and financial reporting guidance for certain postemployment healthcare and life insurance benefits provided by the City.

The City provides, through annual City Council appropriation, health insurance for approximately thirty-four retired employees and their families. The postemployment benefits are accounted for in the general fund on a "pay-as-you-go" basis. The cost for the year ended September 30, 2024, was $1,083,191. In addition, the City provides health insurance coverage to terminated employees in accordance with the COBRA law. These benefits are provided at no cost to the City, since former employees reimburse the City.

Based on GASB Statement 75, which sets forth the guidelines for the treatment of Other Post-Employment Benefits (OPEB), the City has had an actuarial calculation completed to determine the future funding requirements of these benefits. The actuary's 2022 valuation (calculated as of September 30, 2022) involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. These assumptions include future employment, mortality, future payroll and health care cost trends. The calculation used the entry age normal cost method including normal pension-related actuarial assumptions, health care inflation for Pre-Medicare cost of 7.0% and a Post-Medicare cost of 6.0%, plus a salary increase assumption of 3.5% and inflation rate assumption of 2.5%. The calculation amortizes the Unfunded Actuarial Accrued Liability (UAAL) over 30 years.

Note 10 - Other Post-Employment Benefits (continued)

The City of Zephyrhills contributes up to 50% of the active health insurance premium for retirees with at least 10 years of service, and who were participating in the City's group insurance plan at the time of retirement. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the health insurance program by retirees and their eligible dependents, at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The City currently has no plans to fund the Unfunded Actuarial Accrued Liability (UAAL).

OPEB Plan participants must reimburse the City for the City's average blended cost. Contributions requirements of the City are established and may be amended through action of the Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

At September 30, 2024, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	34
Active Employees	169
	203

Total OPEB Liability and Changes in Total OPEB Liability

The measurement date for the City's total OPEB liability was September 30, 2024. The measurement period for OPEB cost was October 1, 2023 to September 30, 2024. The components of the City's net OPEB liability are as follows:

Total OPEB Liability	$	11,215,677
OPEB Plan Fiduciary Net Position		-
City's Net OPEB Liability	$	11,215,677
OPEB Plan Fidicuiary Net Position as a Percentage of Total OPEB Liability		0%

Note 10 - Other Post-Employment Benefits (continued)

The components of the changes in the total OPEB liability are as follows:

Total OPEB Liability	Fiscal Year 2024
Service Cost	$ 855,806
Interest	679,647
Difference between Expected and Actual Experience	(8,465,511)
Change of Assumptions and Other Inputs	2,500,483
Benefit Payments	(232,439)
Net Change in Total OPEB Liability	(4,662,014)
Total OPEB Liability, Beginning	15,877,691
Total OPEB Liability, Ending	$ 11,215,677

Schedule of Deferred Inflows/Outflows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (17,229,584)
Changes of assumptions/inputs	10,497,832	(4,742,202)
Net difference between projected and actual investments	-	-
Total	$ 10,497,832	$ (21,971,786)

Amounts reported as deferred outflows of resources and deferred inflows of resources:

Year Ended September 30,	Amount
2025	$ (858,414)
2026	(858,414)
2027	(858,414)
2028	(858,414)
2029	(858,414)
Thereafter	(7,181,884)

Note 10 - Other Post-Employment Benefits (continued)

Actuarial Assumptions and OPEB liability Sensitivity to Healthcare Trend Rate
The total OPEB liability reported at September 30, 2024 was based on an actuarial valuation dated September 30, 2024, using the following actuarial assumptions:

Inflation	2.5% per annum
Discount Rate	3.81% per annum
Salary Increases	3.5% per annum
Mortality Rates	PUB-2010, using Scale MP-2021
Healthcare Trend Rate	Trend starting at 7.0% with .31% decrease per year to final rate of 4.0%

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

	1% Decrease	Current trend Rate	1% Increase
Total OPEB Liability	$9,489,000	$11,216,000	$13,425,000

Discount Rate and OPEB Liability Sensitivity to Discount Rate
The discount rate used to measure the total OPEB liability reported as of September 30, 2024 was 3.81%.

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

	1% Decrease	Current trend Rate	1% Increase
	2.81%	3.81%	4.81%
Total OPEB Liability	$13,038,000	$11,216,000	$9,748,000

Note 11 - Risk Management

The City is exposed to various risks of losses related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to workers, and natural disasters. The City has chosen to manage these risks through purchases of commercial insurance and participation in the Public Risk Management (PRM) pool. The pool is a protected self-insurance program which has both specific excess insurance for large losses and aggregate excess insurance or stop loss insurance in the event the loss fund is used up because of frequency of losses.

The City has maintained levels of insurance coverage during the current year.

Note 12 - Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

Note 13 – Subsequent Events

Subsequent events have been evaluated through May 1, 2025, the date the financial statements were available to be issued.

On October 9, 2024, Hurricane Milton made landfall near Siesta Key and proceeded inland. The City of Zephyrhills suffered major flooding and wind damage. The City staff has estimated $1.4 million dollars in damages and $2.5 million in sewer pumping and debris removal. As of May 6, 2025 the City has accrued $3 million in actual expenditures. The City is continuing to work to submit the appropriate documentation to the Federal Emergency Management Agency (FEMA) to maximize its reimbursement.

City of Zephyrhills, Florida

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2024

Resources (Inflows)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
Taxes				
Ad Valorem	$ 7,990,644	$ 7,990,644	$ 7,685,090	$ (305,554)
Communication Services	871,291	871,291	965,964	94,673
Utility Taxes	2,516,000	2,516,000	2,401,570	(114,430)
Business Tax	92,000	92,000	118,852	26,852
Total Taxes	11,469,935	11,469,935	11,171,476	(298,459)
Licenses and Permits				
Franchise Fees	1,816,000	1,816,000	1,891,749	75,749
Building Permits	1,200,000	1,200,000	539,522	(660,478)
Other	24,400	24,400	28,880	4,480
Total Licenses and Permits	3,040,400	3,040,400	2,460,151	(580,249)
Intergovernmental				
State Revenue Sharing	690,000	690,000	711,455	21,455
Mobile Home License	145,000	145,000	136,549	(8,451)
Half-Cent Sales Tax	1,516,015	1,516,015	1,548,994	32,979
Alcoholic Beverage License	17,000	17,000	17,925	925
Firefighter Supplement	-	-	-	-
School District Reimbursement for School Resource Officer	-	-	-	-
Federal FEMA Reimbursement	-	-	-	-
State FEMA Reimbursement	-	-	-	-
Federal Grants	-	-	-	-
State Grants	75,000	75,000	74,961	(39)
Total Intergovernmental	2,443,015	2,443,015	2,489,884	46,869

City of Zephyrhills, Florida

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2024

Resources (Inflows) (continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
Charges for Services				
Building Administrative	20,000	20,000	21,631	1,631
Code Enforcement	10,000	10,000	1,255	(8,745)
Library	-	-	761	761
Other	60,300	60,300	62,976	2,676
Payments in Lieu of Taxes	-	-	-	-
Administrative Fees	50,000	50,000	20,740	(29,260)
Proprietary Fund Reimbursed	1,553,481	1,553,481	1,624,444	70,963
Total Charges for Services	1,693,781	1,693,781	1,731,807	38,026
Fines and Forfeits				
Court Fees	65,000	65,000	44,771	(20,229)
Violations of Local Ordinances	21,000	21,000	38,325	17,325
Police Education	4,000	4,000	2,822	(1,178)
Confiscated Property	-	-	-	-
Total Fines and Forfeits	90,000	90,000	85,918	(4,082)
Miscellaneous				
Investment Income	200,000	200,000	879,840	679,840
Cemetery Sales	40,000	40,000	41,551	1,551
Surplus Property Sold	51,000	51,000	31,585	(19,415)
Contributions	-	-	22,418	22,418
Rents	30,000	30,000	26,442	(3,558)
FDOT Street Lighting	50,303	50,303	51,812	1,509
Other	90,200	90,200	243,107	152,907
Total Miscellaneous	461,503	461,503	1,296,755	835,252
Other Financing Sources				
City Hall Bond Issue	-	-	-	-
Operating Transfers	-	-	-	-
Total Other	-	-	-	-
Amounts Available for Appropriation	$ 19,198,634	$ 19,198,634	$ 19,235,991	$ 37,357

City of Zephyrhills, Florida

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2024

Charges to Appropriations Outflows	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
General Government				
City Council				
Personnel Services	$ 139,288	$ 139,288	$ 131,052	$ 8,236
Operating	35,700	35,700	21,263	14,437
Capital Outlay	100,000	100,000	21,280	78,720
Contributions	74,000	74,000	122,500	(48,500)
City Council Total	348,988	348,988	296,095	52,893
Administration				
Personnel Services	635,407	635,407	597,497	37,910
Operating	523,850	523,850	515,125	8,725
Contributions	-	-	-	-
Capital Outlay	100,000	100,000	31,355	68,645
Contingencies	620,511	620,511	-	620,511
Administration Total	1,879,768	1,879,768	1,143,977	735,791
Human Resources				
Personnel Services	704,174	704,174	473,249	230,925
Operating	615,050	615,050	569,254	45,796
Capital Outlay	-	-	-	-
Human Resources Total	1,319,224	1,319,224	1,042,503	276,721
Finance				
Personnel Services	475,007	475,007	429,580	45,427
Operating	95,410	95,410	62,324	33,086
Capital Outlay	-	-	-	-
Finance Total	570,417	570,417	491,904	78,513
Information Technology				
Personnel Services	350,700	350,700	340,068	10,632
Operating	487,212	487,212	465,171	22,041
Capital Outlay	16,000	16,000	7,534	8,466
Information Technology Total	853,912	853,912	812,773	41,139
Economic Development				
Operating	55,000	55,000	50,000	5,000
Grants	660,000	660,000	-	660,000
Economic Development Total	715,000	715,000	50,000	665,000
Planning				
Personnel Services	465,100	465,100	451,360	13,740
Operating	237,075	237,075	213,546	23,529
Contributions	100,000	100,000	2,500	97,500
Planning Total	802,175	802,175	667,406	134,769
Total General Government	6,489,484	6,489,484	4,504,658	1,984,826

City of Zephyrhills, Florida

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2024

Charges to Appropriations Outflows (continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
Public Safety				
Police Dispatch				
Personnel Services	695,041	695,041	680,606	14,435
Other Services and Charges	125,200	125,200	49,330	75,870
Capital Outlay	51,000	51,000	-	51,000
Police Dispatch Total	871,241	871,241	729,936	141,305
Police Department				
Personnel Services	5,295,330	5,295,330	4,982,745	312,585
Operating	1,008,520	1,008,520	818,059	190,461
Other Services and Charges	-	-	-	-
Capital Outlay	85,000	85,000	287,944	(202,944)
Police Department Total	6,388,850	6,388,850	6,088,748	300,102
Fire Department				
Personnel Services	-	-	-	-
Operating	643,564	643,564	603,810	39,754
Capital Outlay	-	-	-	-
Other Services and Charges	-	-	-	-
Fire Department Total	643,564	643,564	603,810	39,754
Protective Inspections				
Personnel Services	847,017	847,017	804,120	42,897
Operating	205,200	205,200	95,490	109,710
Capital Outlay	-	-	-	-
Protective Inspections Total	1,052,217	1,052,217	899,610	152,607
Public Safety Total	8,955,872	8,955,872	8,322,104	633,768

City of Zephyrhills, Florida

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2024

Charges to Appropriations Outflows (continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
Public Works				
Stormwater Management				
Operating	104,500	104,500	28,138	76,362
Capital Outlay	-	-	-	-
Stormwater Management Total	104,500	104,500	28,138	76,362
Public Works Administration Road and Street Facilities				
Personnel Services	747,395	747,395	613,106	134,289
Operating	461,000	461,000	369,898	91,102
Capital Outlay	25,000	25,000	4,061	20,939
Street Facilities Total	1,233,395	1,233,395	987,065	246,330
Equipment Maintenance				
Personnel Services	370,842	370,842	361,468	9,374
Operating	74,825	74,825	50,425	24,400
Capital Outlay	49,000	49,000	75,446	(26,446)
Equipment Maintenance Total	494,667	494,667	487,339	7,328
Parks and Facility Management				
Personnel Services	1,041,107	1,041,107	916,916	124,191
Operating	353,500	353,500	332,930	20,570
Other Services and Charges	-	-	-	-
Capital Outlay	102,500	102,500	150,245	(47,745)
Parks and Facility Management Total	1,497,107	1,497,107	1,400,091	97,016
Public Works Total	3,329,669	3,329,669	2,902,633	427,036

City of Zephyrhills, Florida

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2024

Charges to Appropriations Outflows (continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
Library				
Personnel Services	355,244	355,244	357,814	(2,570)
Operating	79,625	79,625	67,209	12,416
Capital Outlay	36,000	36,000	28,387	7,613
Budget Reserves	33,534	33,534	-	33,534
Library Total	504,403	504,403	453,410	50,993
Transfers				
Transfers to other Funds	18,740	18,740	18,740	-
Transfers to Reserves	-	-	64,965	(64,965)
Total Transfers	18,740	18,740	83,705	(64,965)
Total Charges to Appropriations	19,298,168	19,298,168	16,266,510	3,031,658
Excess (Deficiency) of Resources and Fund Transfers Over Charges to Appropriations	(99,534)	(99,534)	2,969,481	3,069,015
Fund Balance - Beginning of Year	80,794	80,794	13,795,490	13,714,696
Fund Balance - End of Year	$ (18,740)	$ (18,740)	$ 16,764,971	$ 16,783,711

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures
Sources/Inflows of Resources

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary comparison schedule.	$ 19,235,991
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Total Revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$ 19,235,991

City of Zephyrhills, Florida

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2024

Actual amounts (budgetary basis) of charges to appropriations from the budgetary comparison schedule	$	16,266,510
Differences - budget to GAAP:		
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.		83,705
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - General Fund	$	16,182,805

City of Zephyrhills, Florida

Required Supplementary Information
Budgetary Comparison Schedule – Special Revenue Fund
For the Year Ended September 30, 2024

Resources (Inflows)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
Intergovernmental				
Motor Fuel Taxes	$ 524,506	$ 524,506	$ 530,694	$ 6,188
Local Option Sales Tax	3,300,000	3,300,000	3,649,934	349,934
8th Cent Motor Fuel Tax	194,574	194,574	200,667	6,093
State Grants	8,705,000	8,705,000	663,990	(8,041,010)
Gas Tax Refund	20,000	20,000	25,313	5,313
Total Intergovernmental	12,744,080	12,744,080	5,070,598	(7,673,482)
Miscellaneous				
Investment Income	548,000	548,000	844,981	296,981
Donations	-	-	-	-
Total Miscellaneous	548,000	548,000	844,981	296,981
Amount Available for Appropriation	13,292,080	13,292,080	5,915,579	(7,376,501)
Charges to Appropriations (Outflows)				
Expenditures				
Debt Service	590,056	590,056	590,056	-
Professional Services	-	-	-	-
Contractual Services	-	-	-	-
Operating Supplies	5,500	5,500	-	5,500
Capital Outlay	17,747,755	17,747,755	10,656,263	7,091,492
Transfers to Other Funds	-	-	-	-
Contingency	-	-	-	-
Reserves	1,782,944	1,782,944	-	1,782,944
Total Expenditures	20,126,255	20,126,255	11,246,319	8,879,936
Excess (Deficiency) of Resources over Charges to Appropriations	(6,834,175)	(6,834,175)	(5,330,740)	1,503,435
Fund Balance at Beginning of Year	6,834,175	6,834,175	17,293,565	10,459,390
Fund Balance at End of Year	$ -	$ -	$ 11,962,825	$ 11,962,825

Explanation of Differences Between Budgetary Outflows and GAAP Expenditures

Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 11,246,319
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the statement of revenue, expenditures and change in fund balances - Special Revenue Fund	$ 11,246,319

City of Zephyrhills, Florida

Required Supplementary Information
Budgetary Comparison Schedule - CRA Fund
For the Year Ended September 30, 2024

	Budgeted Amount		Actual Amounts	Variance with Final Budget
Resources (Inflows)	Original	Final	Budgetary Basis	Positive (Negative)
Taxes				
Ad Valorem City	$ 446,425	$ 446,425	$ 446,425	$ -
Ad Valorem County	543,395	543,395	552,717	9,322
Total Taxes	989,820	989,820	999,142	9,322
Miscellaneous				
Mainstreet Reimbursement	1,000	1,000	618	(382)
Surplus Property Sales	50,000	50,000	-	(50,000)
Interest Income	100,000	100,000	197,031	97,031
Total Miscellaneous	151,000	151,000	197,649	46,649
Amount Available for Appropriation	1,140,820	1,140,820	1,196,791	55,971
Charges to Appropriations (Outflows)				
Expenditures - Other Economic Environment				
Personnel Services	140,555	140,555	133,840	6,715
Professional Services	52,096	52,096	197,595	(145,499)
Contractual Services	81,039	81,039	84,454	(3,415)
Promotional Activities	50,100	50,100	3,402	46,698
Supplies	2,550	2,550	393	2,157
Telephone and Communications	3,200	3,200	2,820	380
Training and Dues	4,000	4,000	1,768	2,232
Incentives	100,000	100,000	15,000	85,000
Grants and Contributions	200,000	200,000	18,750	181,250
Miscellaneous	7,624	7,624	7,575	49
Transfers to Other Fund	-	-	-	-
Contingency and Reserves	-	-	-	-
Total General Government	641,164	641,164	465,597	175,567
Expenditures - Debt Service				
Debt Principal and Interest	-	-	-	-
Total Debt Service	-	-	-	-
Expenditures - Capital Outlay	1,425,000	1,425,000	114,155	1,310,845
Total Charges to Appropriations (Outflows)	2,066,164	2,066,164	579,752	1,486,412
Excess (Deficiency) of Resources over Charges to Appropriations	(925,344)	(925,344)	617,039	1,542,383
Fund Balance at Beginning of Year	925,344	925,344	1,142,989	217,645
Fund Balance at End of Year	$ -	$ -	$ 1,760,028	$ 1,760,028

Explanation of Differences Between Budgetary Outflows and GAAP Expenditures:

Uses/ Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 579,752
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the statement of revenue, expenditures and change in fund balances - Community Reinvestment Area Fund	$ 579,752

City of Zephyrhills, Florida

Required Supplementary Information
Budgetary Comparison Schedule - Impact Fee Fund
For the Year Ended September 30, 2024

Resources (Inflows)	Budgeted Amount Original	Budgeted Amount Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
Impact Fees				
Transportation Impact Fees	$ 2,300,000	$ 2,300,000	$ 799,896	$ (1,500,104)
Police Impact Fees	250,000	250,000	56,649	(193,351)
Fire Impact Fees	-	-	-	-
Park and Cultural Impact Fees	350,000	350,000	128,321	(221,679)
Total Impact Fees	2,900,000	2,900,000	984,866	(1,915,134)
Miscellaneous				
State Contribution Pretty Pond	-	-	-	-
Interest Income	256,000	256,000	420,828	164,828
Total Miscellaneous	256,000	256,000	420,828	164,828
Amount Available for Appropriation	3,156,000	3,156,000	1,405,694	(1,750,306)
Charges to Appropriations (Outflows)				
Expenditures - Public Works Roads and Streets				
Capital Outlay	1,885,000	1,885,000	15,850	1,869,150
Contractual Services	691,907	691,907	643,855	48,052
Contingency	4,723,093	4,723,093	-	4,723,093
Public Works Total	7,300,000	7,300,000	659,705	6,640,295
Expenditures - Public Safety				
Capital Outlay	57,000	57,000	60,014	(3,014)
Contractual Services	-	-	-	-
Small Tools & Equipment	-	-	8,255	(8,255)
Contingency	709,000	709,000	-	709,000
Total Public Safety	766,000	766,000	68,269	697,731
Expenditures - Parks and Recreation				
Capital Outlay	300,000	300,000	47,983	252,017
Contractual Services	25,000	25,000	51,442	(26,442)
Contingency	1,505,000	1,505,000	-	1,505,000
Total Parks and Recreation	1,830,000	1,830,000	99,425	1,730,575
Total Charges to Appropriations	9,896,000	9,896,000	827,399	9,068,601
Excess (Deficiency) of Resources over Charges to Appropriations	(6,740,000)	(6,740,000)	578,295	(7,318,295)
Fund Balance at Beginning of Year	6,740,000	6,740,000	7,678,344	(938,344)
Fund Balance at End of Year	$ -	$ -	$ 8,256,639	$ (8,256,639)

Explanation of Differences Between Budgetary Outflows and GAAP Expenditures:

Uses/ Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 827,399
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the statement of revenue, expenditures and change in fund balances - Impact Fee Fund	$ 827,399

City of Zephyrhills, Florida

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended September 30, 2024

Florida Retirement System Pension Plan	2024	2023	2022	2021	2020	2019	2018	2016	2015
City's Proportion of the Net Pension Liability	0.000281994%	0.000272647%	0.000270852%	0.000295446%	0.037913305%	0.036896700%	0.038666806%	0.002149501%	0.030772788%
City's Proportionate Share of the Net Pension Liability	$ 10,908,821	$ 10,864,118	$ 10,077,862	$ 2,231,758	$ 16,432,185	$ 12,706,073	$ 11,646,642	$ 8,749,305	$ 3,974,718
City's Covered-Employee Payroll	$ 8,919,667	$ 8,411,232	$ 7,715,111	$ 7,819,873	$ 8,554,108	$ 7,115,483	$ 7,200,895	$ 6,128,532	$ 5,705,626
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	122.30%	129.16%	130.62%	28.54%	192.10%	178.57%	161.74%	142.76%	69.66%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	84.88%	92.00%

Note: The amounts presented for each fiscal year were determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

Retiree Health Insurance Subsidy Program	2024	2023	2022	2021	2020	2019	2018	2016	2015
City's Proportion of the Net Pension Liability	0.021050500%	0.021166800%	0.021151900%	0.002208870%	0.024758627%	0.024150400%	0.024733200%	0.003005484%	0.021462044%
City's Proportionate Share of the Net Pension Liability	$ 3,157,783	$ 3,361,565	$ 2,240,327	$ 2,709,511	$ 3,022,988	$ 2,702,188	$ 2,617,787	$ 2,585,031	$ 2,188,791
City's Covered-Employee Payroll	$ 8,919,667	$ 8,411,232	$ 7,715,111	$ 7,819,873	$ 8,772,802	$ 8,117,769	$ 8,081,312	$ 6,847,236	$ 6,511,208
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	35.40%	39.97%	29.04%	34.65%	35.34%	33.29%	32.39%	37.75%	33.62%
Plan Fiduciary Net Position as Percentage of the total Pension Liability	4.80%	4.12%	4.81%	3.56%	3.00%	1.70%	2.15%	0.97%	0.50%

Note: The amounts presented for each year were determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information only for those years for which information is available.

City of Zephyrhills, Florida

Required Supplementary Information
Schedule of Contributions
For the Year Ended September 30, 2024

Florida Retirement System Pension Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 1,640,381	$ 1,324,090	$ 1,187,158	$ 1,069,002	$ 1,292,889	$ 1,161,824	$ 1,134,207	$ 982,209	$ 921,616	$ 773,394
Contributions in Relation to the Contractually Required Contribution	(1,640,381)	(1,324,090)	(1,187,158)	(1,069,002)	(1,292,889)	(1,161,824)	(1,134,207)	(982,209)	(921,616)	(773,394)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 8,919,667	$ 8,239,630	$ 7,786,372	$ 7,463,820	$ 8,554,108	$ 7,085,667	$ 7,167,015	$ 6,951,887	$ 6,573,547	$ 5,812,778
Contributions as a Percentage of Covered-Employee Payroll	18.39%	16.07%	15.25%	14.32%	15.11%	16.40%	15.83%	14.13%	14.02%	13.31%

Note: The amounts presented for each fiscal year were determined as of September 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

Retiree Health Insurance Subsidy Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 183,397	$ 142,862	$ 129,192	$ 123,905	$ 145,634	$ 134,842	$ 134,178	$ 128,676	$ 121,021	$ 89,615
Contributions in Relation to the Contractually Required Contribution	(183,397)	(142,862)	(129,192)	(123,905)	(145,634)	(134,842)	(134,178)	(128,676)	(121,021)	(89,615)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 8,919,667	$ 8,239,630	$ 7,786,372	$ 7,463,820	$ 8,772,802	$ 8,124,755	$ 8,084,233	$ 7,768,892	$ 7,288,794	$ 6,623,826
Contributions as a Percentage of Covered-Employee Payroll	2.06%	1.73%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.35%

Note: The amounts presented for each fiscal year were determined as of September 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

City of Zephyrhills, Florida

Required Supplementary Information
Schedule of Changes in Total OPEB Liability
For the Year Ended September 30, 2024

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018
Service Cost	$ 855,806	$ 839,269	$ 1,147,261	$ 632,622	$ 618,943	$ 579,239	$ 681,663
Interest	679,647	627,271	455,863	424,569	941,132	677,932	615,978
Difference between Expected and Actual Experience	(8,465,511)	-	(1,730,611)	-	(12,440,057)	-	-
Change of Assumptions and Other Inputs	2,500,483	(193,573)	(4,858,527)	740,402	8,211,226	5,288,121	(1,710,646)
Benefit Payments	(232,439)	(319,507)	(290,815)	(350,365)	(309,960)	(444,917)	(484,424)
Net Change in Total OPEB Liability	(4,662,014)	953,460	(5,276,829)	1,447,228	(2,978,716)	6,100,375	(897,429)
Total OPEB Liability, Beginning	15,877,691	14,924,231	20,201,060	18,753,832	21,732,548	15,632,173	16,529,602
Total OPEB Liability, Ending	$ 11,215,677	$ 15,877,691	$ 14,924,231	$ 20,201,060	$ 18,753,832	$ 21,732,548	$ 15,632,173
Covered-Employee Payroll	$ 8,571,000	$ 8,029,000	$ 7,757,191	$ 9,956,000	$ 9,618,959	$ 7,005,364	$ 6,768,468
Total OPEB liability as a percentage of covered employee payroll	131%	198%	192%	203%	195%	310%	231%

Note: The amounts presented for each fiscal year were determined as of September 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

City of Zephyrhills, Florida

Other Supplementary Schedules (not required)
Utility Fund Schedule of Operating Income (Loss)
For the Years Ended September 30, 2024 and 2023

	2024	2023
Revenues		
Installation Fees	$ 257,553	$ 912,813
Water and Sewer Service	12,769,893	13,056,930
Miscellaneous Revenues	165,944	89,298
Total Revenues	13,193,390	14,059,041
Operating Expenses		
Administration		
Salaries	316,050	281,202
Employee Benefits	153,553	356,063
Professional Services	922,828	1,032,286
Education, Travel and Dues	10,099	6,674
Telephone	2,047	2,186
Office Supplies and Expenses	3,604	1,802
Operating Supplies	346	13
Property and Casualty Insurance	34,664	28,132
Leases and Rents	2,590	2,522
Vehicle and Equipment Repair	138	392
Gas and Oil	54	230
Other	124,594	116,481
Depreciation	769	2,568
Administration Allocation from General Fund	1,203,481	1,203,481
Administration Allocation from Airport Fund	234,850	234,850
Other Expense Transfer to General Fund	-	-
Payment in Lieu of Taxes to General Fund	-	-
Total Expenses - Administration	3,009,667	3,268,882

City of Zephyrhills, Florida

Other Supplementary Schedules (not required)
Utility Fund Schedule of Operating Income (Loss) (continued)
For the Years Ended September 30, 2024 and 2023

	2024	2023
Operating Expenses (continued)		
Water Department		
Salaries	541,042	472,353
Overtime	37,057	34,045
Employee Benefits	307,212	333,558
Professional Services	285,845	131,236
Water Tank Maintenance	32,557	25,075
Property Tax	87	172
Education, Travel and Dues	21,032	13,049
Telephone	19,313	18,726
Electric	153,401	157,431
Other Utility Charges	744	171
Leases and Rentals	476	517
Repairs and Maintenance - Building	5,247	4,123
Repairs and Maintenance - Equipment	10,801	51,320
Repairs and Maintenance - Vehicles	14,716	17,624
Small Tools	14,608	7,811
Operating Supplies	30,973	32,009
Property and Casualty Insurance	45,440	36,878
Office Supplies and Postage	2,407	3,158
Uniforms	5,211	3,006
Chemicals and Chlorine Gas	25,356	25,204
Laboratory Analysis	13,092	25,634
Gas and Oil	39,005	49,498
Depreciation	1,518,460	1,359,191
Other	-	-
Total Expenses - Water Department	3,124,082	2,801,789

City of Zephyrhills, Florida

Other Supplementary Schedules (not required)
Utility Fund Schedule of Operating Income (Loss) (continued)
For the Years Ended September 30, 2024 and 2023

	2024	2023
Operating Expenses (Continued)		
Sewer Department		
Salaries	541,262	512,273
Overtime	60,139	55,270
Employee Benefits	223,365	271,633
Professional Services	120,886	170,089
Education, Travel and Dues	9,904	12,524
Telephone	16,697	12,718
Contract Hauling	141,467	126,578
Electric	458,897	463,911
Other Utility Charges	18,999	34,057
Repairs and Maintenance - Building	13,086	14,979
Repairs and Maintenance - Equipment	146,066	111,062
Repairs and Maintenance - Vehicles	13,577	24,754
Repairs and Maintenance - Infrastructure	65,457	44,630
Small Tools	3,667	9,036
Operating Supplies	40,450	30,426
Office Supplies and Postage	1,811	424
Property and Casualty Insurance	299,064	244,781
Uniforms	4,895	3,629
Chemicals and Chlorine Gas	219,187	210,877
Laboratory Analysis	45,709	26,230
Gas and Oil	39,359	44,348
Depreciation	2,424,511	2,247,794
Other	23	746
Total Expenses - Sewer Department	4,908,478	4,672,769
Total Operating Expenses	11,042,228	10,743,440
Total Operating Income (Loss)	$ 2,151,162	$ 3,315,601

City of Zephyrhills, Florida

Other Supplementary Schedules (not required)
Sanitation Fund Schedule of Operating Income (Loss)
For the Years Ended September 30, 2024 and 2023

	2024	2023
Revenues		
Service	$ 2,475,766	$ 2,314,292
Miscellaneous Revenues	35,964	28,817
Total Operating Revenues	2,511,730	2,343,109
Operating Expenses		
Salaries	452,108	440,774
Overtime	29,367	30,027
Employee Benefits	156,678	260,753
Education, Travel and Dues	1,671	1,863
Telephone	2,860	3,083
Landfill Fees	19,843	24,279
Repairs and Maintenance - Vehicles	295,685	219,276
Repairs and Maintenance - Equipment	2,430	6,662
Property and Casualty Insurance	93,692	77,128
Dumpsters and Recycle Bins	44,723	-
Operating Supplies	28,447	42,250
Gas and Oil	160,186	178,598
Depreciation	334,357	279,408
Professional Services	21,761	20,025
Tools, Small Equipment	3,948	2,894
Uniforms	3,639	4,672
Other	21,806	985
Administrative Expense Allocation from General Fund	330,000	327,033
Administrative Expense Allocation from Airport Fund	31,440	31,440
Payment in Lieu of Taxes to General Fund	-	-
Total Operating Expenses	2,034,641	1,951,150
Total Operating Income (Loss)	$ 477,089	$ 391,959

City of Zephyrhills, Florida

Other Supplementary Schedules (not required)
Airport Fund Schedule of Operating Income (Loss)
For the Years Ended September 30, 2024 and 2023

	2024	2023
Revenues		
Rental Income	$ 307,261	$ 273,981
Tie-Downs	21,176	11,374
Fuel and Oil Sales	1,180,083	1,012,044
Hangar Rental	478,186	458,405
Fuel Flowage Fees	4,444	3,976
Miscellaneous	46,074	29,483
Charges to Other Funds	285,030	285,030
Total Operating Revenues	2,322,254	2,074,293
Operating Expenses		
Salaries	355,440	332,142
Overtime	10,063	8,749
Employee Benefits	150,829	245,666
Professional Services	10,632	9,854
Administration Allocation from General Fund	20,000	20,000
Credit Card Processing	55,084	49,341
Advertising	323	349
Education, Travel and Dues	-	440
Telephone	3,393	3,349
Electricity	34,463	34,077
Water and Sewer	6,022	6,214
Refuse Disposal	544	657
Repairs and Maintenance - Vehicles	507	6,007
Repairs and Maintenance - Building	1,877	1,499
Repairs and Maintenance - Equipment	10,663	16,906
Repairs and Maintenance - Infrastructure	37,541	27,586
Gas and Oil for Resale	976,263	855,029
Vehicle Expense Gas and Oil	15,899	16,813
Operating Supplies	6,470	8,202
Office Supplies	600	584
Other Expenses	13,749	20,320
Property and Casualty Insurance	108,401	87,976
Depreciation	1,300,377	1,083,190
Total Operating Expenses	3,119,140	2,834,950
Total Operating Income (Loss)	$ (796,886)	$ (760,657)

City of Zephyrhills, Florida

Other Reports and Schedules of Independent Auditors
Schedule of Expenditures of Federal Awards and State Assistance
For the Year Ended September 30, 2024

Program Name	Federal Assistance Listing No./ State CSFA No.	Contract Number		Expenditures
Federal				
Florida Department of Emergency Management				
Coronavirus State and Local Fiscal Recovery Funds	FALN 21.027	Y5328	*	4,909,292
	Total Federal Expenditures:			**$ 4,909,292**
State of Florida				
Florida Department of Environmental Protection				
Kossick & Fort King Water/Sewer Main Extension	CSFA 37.039	LPA0407		459,755
Florida Department of Environmental Protection				
South 301 Water/Wastewater Redevelopment	CSFA 37.039	LPQ0029		227,450
Florida Department of Environmental Protection				
Southwest Florida Water Management District				
Pasco Reclaimed Interconnect	CSFA 37.039	Q274		58,445
		Sub Total: CSFA 37.039		745,650
Florida Department of Economic Opportunity				
Sarah Vande Berg Tennis Center Phase II	CSFA 40.038	HL135		171,857
Florida Department of Economic Opportunity				
Zephyr Park Improvements	CSFA 40.038	HL258		46,478
		Sub Total: CSFA 37.077		218,335
Florida Dept. of Transportation-Joint Participation Zephyrhills Municipal Airport				
Runway 1-19 Extension	CSFA 55.004	443359-1-94-01 GOZ22		31,191
Florida Dept.of Transportation-Joint Participation Zephyrhills Municipal Airport				
Itinerant Apron	CSFA 55.004	449182-1-94-01 G1Z05		199,630
Florida Dept. of Transportation-Joint Participation Zephyrhills Municipal Airport				
Runway 1-19 Ext. Rehab Design	CSFA 55.004	449182-1-94-01 G2D46		331,081
		Sub Total: CSFA 55.004		561,902
Florida Department of Transportation				
Box Hangars/Taxiway F	CSFA 55.039	443359-1-94-01 G2C11		668,436
National Guard Entrance Road	CSFA 55.039	G2I51		439,810
		Sub Total: CSFA 55.039	*	1,108,246
	Total State of Florida Expenditures:			**$ 2,634,133**
	Total Federal & State Expenditures:			**$ 7,543,425**

* Audited as major program

The accompanying notes are an integral part of this schedule

Other Reports and Schedules of Independent Auditors
Notes to the Schedule of Expenditures of Federal Awards and State Assistance
For the Year Ended September 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the “Schedule”) includes the federal and state grant activity of the City of Zephyrhills, Florida, under programs of the federal and state governments for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. code of *Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *Rules of the Auditor General* of the State of Florida. Because the Schedule presents only a selected portion of the operations of the City of Zephyrhills, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City of Zephyrhills.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. There were no amounts passed through to other entities during the year.

Note 3 - Indirect Cost Rate

The City of Zephyrhills has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor, City Council,
and City Manager
City of Zephyrhills, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Zephyrhills, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Zephyrhills basic financial statements, and have issued our report thereon dated May 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Zephyrhills, Florida's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Zephyrhills, 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*.

Purpose of the 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 control and compliance. Accordingly, this communication is not suitable for any other purpose.

DGPerry
Zephyrhills, Florida
May 1, 2025

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Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.650 Rules of the Auditor General

Honorable Mayor, City Council,
and City Manager
City of Zephyrhills, Florida

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited City of Zephyrhills' (the City), compliance with the types of compliance requirements described to audit in the OMB *Compliance Supplement* and the requirements described in the *Department of Financial Services*' State Projects Compliance Supplement, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2024. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Zephyrhills, 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 state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

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 and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Zephyrhills, Florida and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Zephyrhills, Florida's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

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CPAs + Advisors

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Zephyrhills Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Zephyrhills, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

DG Perry

DGPerry
Zephyrhills, Florida
May 1, 2025

City of Zephyrhills, Florida

Other Reports and Schedules of Independent Auditors
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

Type of Auditors' Report Issued:	Unqualified
Internal Control over financial reporting:	No
- Material Weakness(es) identified?	No
- Significant Weakness(es) identified?	No
Noncompliance material to financial statements noted?	No

Federal Programs and State Program Awards

Internal Control over major programs:	
- Material Weakness(es) identified?	No
- Significant Weakness(es) identified?	No
Type of auditors' report issued on compliance for major federal programs and state projects:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of *Uniform Guidance and Chapter 10.656 Rules Of the Auditor General*	No

City of Zephyrhills, Florida

Other Reports and Schedules of Independent Auditors
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Section I – Summary of Auditors' Results (continued)

Identification of Major Programs

Federal:

CFDA Number	Name of Federal Projects
21.027	Florida Department of Emergency Management Coronavirus State & Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs for federal programs: $750,000

State:

CSFA Number	Name of State Projects
55.039	Florida Department of Transportation Box Hangars/Taxiway F National Guard Entrance Road

Dollar threshold used to distinguish between type A and type B programs for state programs: $750,000

Auditee qualified as a low risk auditee? Yes

Section II – Financial Statement Findings

None

Section III – Federal and State Awards Findings and Questioned Costs

None

Section IV – Schedule of Prior Year Findings Federal and State Projects

There were no prior audit findings related to Federal or State projects in the prior year.

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Independent Accountants' Report on Compliance With Section 218.415, Florida Statutes

Honorable Mayor, City Council,
and City Manager
City of Zephyrhills, Florida

We have examined the City of Zephyrhills, Florida's (the City) compliance with Section 218.415, Florida Statutes concerning the investment of public funds during the year ended September 30, 2024. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City's complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City's complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the requirements contained in Section 218.415, Florida Statutes during the year ended September 30, 2024.

The purpose of this report is solely to comply with Chapter 10.550, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose

DGPerry
Zephyrhills, Florida
May 1, 2025

DGPerry
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Management Letter

Honorable Mayor, City Council,
and City Manager
City of Zephyrhills, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Zephyrhills, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 1, 2025.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; Uniform Guidance and Chapter 10.650 Rules of the Auditor General, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, 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 May 1, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Zephyrhills, Florida, was incorporated pursuant to Florida Legislature Spec. Acts 1925, Chap. 11327, Sec. 1, as amended by Spec. Acts 1927, Chap. 13564, Sec 1. The City of Zephyrhills has no component units. The City operates under a Council-Manager form of government.

DGPerry
CPAs + Advisors

Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City of Zephyrhills 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 City of Zephyrhills did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Annual Financial Report
Sections 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 City of Zephyrhills for the fiscal year ended September 30, 2024, 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, 2024. In connection with our audit, we determined that these two reports were in agreement.

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

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, City Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

DG Perry

DGPerry
Zephyrhills, Florida
May 1, 2025

City Council Meeting
May 12, 2025

Action Item

FINANCE DIRECTOR'S REPORT 2.2

Budget Adjustment for Building Department Scanning Project

Issue:

Budget Adjustment to Allow Continued Scanning for Departments Other than Building Department

Background:

When City Council approved the 2025 budget, there was $350,000 appropriated for scanning paper building department blueprints. This had not been done for 10 years. The scanning for the Building Department was accomplished for $167,000. The Information Technology Department would like to continue scanning the Human Resources and Planning Department's paper documents. The cost of this additional scanning will be $60,000.

Line Item	Org	Object	Original Budget	Adjustment	Revised Budget	2025 Actual	Available
Building Professional Fees	01002400	531500	350,000	(60,000.00)	290,000	189,587	100,413
HR Contractual Services	01001370	534000	0	30,000	30,000	0	
Planning Contractual Services	01001500	534000	0	30,000	30,000	0	
			350,000	-	350,000	189,587	

Attachment(s):

None

Fiscal Impact:

None

Staff Recommendation:

Staff recommend approval

City Council Meeting
May 12, 2025

Action Item

BUSINESS ITEMS 3.1

Community Development Block Grant 2nd Public Hearing - Neighborhood Revitalization

Issue:
The City intends to submit an application for a Small Cities Community Development Block Grant.

Background:
Purpose of Public Hearing: The City Council is applying to Florida Commerce for a Small Cities Community Development Block Grant in the Neighborhood Revitalization category. The purpose of this Public Hearing is to receive Citizen input on the proposed project.

Attachment(s):
1. 2nd PH Handout - Neighborhood Revitalization

Fiscal Impact:
n/a

Staff Recommendation:
Authorize Staff to submit the presented CDBG application for a neighborhood revitalization project.

City of Zephyrhills
2nd Public Hearing
Community Development Block Grant Application for FY 2023-2024

The City of Zephyrhills plans to apply to Florida Commerce for a FFY 2023-2024 Small Cities Community Development Block Grant (CDBG) in the amount of $11,565,210.00 in the Neighborhood Revitalization category. For each activity that is proposed, at least 70% of the funds must benefit low- and moderate-income persons. The activities, dollar amounts and estimated percentage benefit to low- and moderate-income persons for which the City of Zephyrhills is applying are:

Service Area #1 Zephyr Park Service Area:

03F – Parks and Playgrounds: The City of Zephyrhills is proposing to construct a new large nature themed splash pad, 2 playground areas, exercise area with equipment, large stage to include lighting and sound equipment, restrooms, walking nature trails, disc golf, a nature zip line, picnic facilities, a heritage garden showcasing the WPA fountain, bridge and columns, a public art exhibit area and seating throughout the park. Additionally, the City is proposing to construct educational areas to inform the public about the story of water in Florida, the Pasco County heritage of agriculture and the history of the "Tin Can Tourist" in Zephyrhills. Zephyr Park is located at 38116 5th Avenue in the City of Zephyrhills. The Service Area for the project is the City limits of the City of Zephyrhills. The City's citizens are the primary users of Zephyr Park.

03I – Flood and Drainage: The City of Zephyrhills is proposing to increase the capacity of the existing stormwater retention pond in Zephyr Park to help reduce the flooding in and around the park area during and immediately after significant storm events. The City is proposing the reconstruction and expansion of the stormwater retention pond. Zephyr Park is located at 38116 5th Avenue in the City of Zephyrhills. The Service Area for the project is the City limits of the City of Zephyrhills. The City's citizens are the primary users of Zephyr Park.

The activity, dollar amounts and estimated percentage benefit to low and moderate income persons in Service Area #1 are as follows:

Activity Number and Name	Description	CDBG Budget	Local Match For Points	LMI% Benefit
03F – Parks and Playgrounds	Improvements to Zephyr Park	$5,500,000.00	$ 0.00	At Least 51%
03I – Flood and Drainage		$4,500,000.00	$ 0.00	At Least 51%

The sources and uses of funds for the project are as follows:

ACTIVITY	CDBG COST	CITY MATCH CLAIMED FOR POINTS	TOTAL
03F - Parks and Playgrounds	$ 5,500,000.00	$ 0.00	$ 5,500,000.00
03I - Flood and Drainage	$ 4,500,000.00	$ 0.00	$ 4,500,000.00
03F/03I - Engineering	$ 640,000.00	$ 50,000.00	$ 690,000.00
21A - Administration	$ 925,210.00	$ 0.00	$ 925,210.00
Total	**$11,565,210.00**	**$ 50,000.00**	**$11,615,210.00**

The City of Zephyrhills is committing fifty thousand dollars ($50,000.00) as leverage. All of the $50,000.00 will be used towards Engineering as local match in this application.

City Council Meeting
May 12, 2025

Action Item

BUSINESS ITEMS 3.2

Community Development Block Grant 2nd Public Hearing - Commercial Revitalization

Issue:
The City intends to submit an application for a Small Cities Community Development Block Grant.

Background:
Purpose of Public Hearing: The City Council is applying to Florida Commerce for a Small Cities Community Development Block Grant in the Commercial Revitalization category. The purpose of this Public Hearing is to receive Citizen input on the proposed project.

Attachment(s):

1. 2nd PH Handout - Commercial Revitalization

Fiscal Impact:
N/A

Staff Recommendation:
Authorize Staff to submit the presented CDBG application for a Commercial revitalization project.

City of Zephyrhills
2nd Public Hearing
Community Development Block Grant Application for FY 2023-2024

The City of Zephyrhills plans to apply to Florida Commerce for a FFY 2023-2024 Small Cities Community Development Block Grant (CDBG) in the amount of $11,565,210.00 in the Commercial Revitalization category. For each activity that is proposed, at least 70% of the funds must benefit low- and moderate-income persons. The activities, dollar amounts and estimated percentage benefit to low- and moderate-income persons for which the City of Zephyrhills is applying are:

Service Area #1 Zephyr Park Service Area:

03F – Parks and Playgrounds: The City of Zephyrhills is proposing to construct a new large nature themed splash pad, 2 playground areas, exercise area with equipment, large stage to include lighting and sound equipment, restrooms, walking nature trails, disc golf, a nature zip line, picnic facilities, a heritage garden showcasing the WPA fountain, bridge and columns, a public art exhibit area and seating throughout the park. Additionally, the City is proposing to construct educational areas to inform the public about the story of water in Florida, the Pasco County heritage of agriculture and the history of the "Tin Can Tourist" in Zephyrhills. Zephyr Park is located at 38116 5th Avenue in the City of Zephyrhills. The Service Area for the project is the City limits of the City of Zephyrhills. The City's citizens are the primary users of Zephyr Park.

03I – Flood and Drainage: The City of Zephyrhills is proposing to increase the capacity of the existing stormwater retention pond in Zephyr Park to help reduce the flooding in and around the park area during and immediately after significant storm events. The City is proposing the reconstruction and expansion of the stormwater retention pond. Zephyr Park is located at 38116 5th Avenue in the City of Zephyrhills. The Service Area for the project is the City limits of the City of Zephyrhills. The City's citizens are the primary users of Zephyr Park.

The activity, dollar amounts and estimated percentage benefit to low and moderate income persons in Service Area #1 are as follows:

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03I – Flood and Drainage		$4,500,000.00	$ 0.00	At Least 51%

The sources and uses of funds for the project are as follows:

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03F/03I - Engineering	$ 640,000.00	$ 50,000.00	$ 690,000.00
21A - Administration	$ 925,210.00	$ 0.00	$ 925,210.00
Total	**$11,565,210.00**	**$ 50,000.00**	**$11,615,210.00**

The City of Zephyrhills is committing fifty thousand dollars ($50,000.00) as leverage. All of the $50,000.00 will be used towards Engineering as local match in this application.

City Council Meeting
May 12, 2025

Action Item

BUSINESS ITEMS 3.3

Amended City Permit and Safety Fee Schedule

RESOLUTION 852-25 " A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING THE PERMIT AND SAFETY FEE SCHEDULE. "

Issue:

Update of resolution 472-17 Not updated for 8 years.

Background:

To ensure the resolution accurately reflects the current fee structure and avoids potential confusion due to the fire department's transition to county oversight, we need to clearly identify and remove the outdated or no longer applicable fees.

Attachment(s):

1. Resolution 852-25 - Permit and Safety Fee Schedule(33250272.1)
2. Redline - Permit and Safety Fee Schedule(33250379.1)

Fiscal Impact:

No impact

Staff Recommendation:

Building Department staff recommends passing.

RESOLUTION NO.: 852-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING THE PERMIT AND SAFETY FEE SCHEDULE.

WHEREAS, Chapter 633, Florida Statutes, requires the City of Zephyrhills to enforce the Florida Fire Prevention Code and Life Safety Code as promulgated by the State Fire Marshal's Office; and

WHEREAS, Chapter 633, Florida Statutes, authorizes the City to charge and collect user fees to pay for costs of fire prevention and protection related activities such as inspections, plan review, administrative fees, and other costs related to aforementioned; and

WHEREAS, the City of Zephyrhills Police Department is also called upon to respond to security alarms at businesses within the City limits; and

WHEREAS, the City Council finds that it is appropriate that fees should be established to pay for these fire prevention and protection related activities.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Zephyrhills, Florida in regularly assembled, as follows:

That City of Zephyrhills Permit and Safety Fee Schedule established by Resolution No. 603-08 is hereby amended as follows:

CITY PERMIT AND SAFETY FEE SCHEDULE

PLAN REVIEW FEE TYPES		**FEE**
Site Plan		No Charge
Multi-family/Commercial		.03 per sq ft (includes final inspection) Minimum Charge $24.00
Sprinkler System		$50.00 (0-25 heads) $100.00 (over 25 heads)
Standpipes		$50.00 per riser
Fire Pump		$100.00
Fire Alarm		$50.00 (0-25 devices) $100.00 (over 25 devices)
Suppression Systems (wet, dry, CO2, other)		$50.00
Commercial Kitchen Exhaust Hoods/Ducts		$50.00
LP Install		$50.00 per tank
Fuel Tank Installation		$50.00 per tank

Spray Booth		$50.00
Natural Gas Install		$50.00 per system
Plan Revisions		Double Initial Fee

PERMIT FEE TYPES		**FEE**
LP/Natural Gas (installation & annual sale)		$50.00
Fuel Tanks		$50.00 per tank
Sparklers (includes inspection)		$100.00
Fireworks (stands/display events) (includes inspection)		$500.00
Camp Fire (recreational burn/includes inspection)		$25.00
Flammable Application (includes inspection)		$50.00 annual
Waste Tire Storage (includes inspection)		$50.00 annual
Emergency Generator Installation ≤ 30 KW (includes inspection)		$100.00

SPECIAL FEE TYPES		**FEE**
Suppression (includes sprinkler, standpipes, fire pumps, hoods, etc.).		$50.00
Fire Alarm		$50.00
Commercial Kitchen Exhaust Hood/Duct		$50.00
Place of Assembly (includes inspection and certification)		$50.00 annual
Fire Protection Maintenance (includes sprinkler, fire alarm, hood cleaning, spray booths & suppression/includes inspection)		$25.00
Tent (10’x10’ or greater)		$15.00 per tent

NEW CONSTRUCTION ACCEPTANCE TYPES		**FEE**
Commercial Automatic Sprinkler System Hydrostatic Test		$65.00 per system
Sprinkler Acceptance		$45.00 per system
Fire Pump		$45.00
Hydrant Flow		$75.00
Fire Alarm Acceptance		$50.00
Recall Acceptance		$50.00
Fire/Smoke Walls		$15.00 per wall
LP/Natural Gas		$25.00 per tank
Re-inspection (other than annual)		Double normal inspection fee
Inspection scheduled but cancelled < 24 hours		Double normal inspection fee
Commercial Kitchen Exhaust Hood/Duct		$30.00
Construction Inspection/Consultation		No Charge
Emergency vehicle access inspection		$50.00

Fire Suppression System Acceptance		$30.00

OCCUPANCY

Commercial

ANNUAL FIRE SAFETY INSPECTION TYPES		**FEE**
Up to 800 sq. ft.		$24.00
801 to 1,500 sq. ft.		$34.52
>1,501 – 2,500 sq. ft.		$60.02
>2,501 – 3,500 sq. ft.		$90.02
>3,501 – 5,000 sq. ft.		$127.52
>5,501 – 7,500 sq. ft.		$187.52
>7,501 – 10,000 sq. ft.		$262.52
>10,001 – 15,000 sq. ft.		$375.02
>15,001 – 20,000 sq. ft.		$525.02
>20,001 – 30,000 sq. ft.		$750.02
>30,001 – 40,000 sq. ft.		$1,050.02
>40,001 – 60,000 sq. ft.		$1,500.02
>60,001 – 80,000 sq. ft.		$2,100.02
>80,001 ($2,100.02) + per each additional 1,000 sq. ft.		$0.06

ADDITIONAL FEES FOR ALL OCCUPANCY TYPES

FIRE SAFETY RE-INSPECTION TYPES		**FEE**
FIRST RE-INSPECTION		N/C
SECOND RE-INSPECTION		$75.00
THIRD RE-INSPECTION		$125.00
INSPECTION SCHEDULED BUT CANCELLED <24 HRS		$50.00

SPECIAL SERVICE FEE TYPES		**FEE**
Indoor retail sales of legal pyrotechnical items		$42.86

FALSE ALARMS RESULTING IN ZPD RESPONSE IN A 12 MONTH PERIOD (per incident)

REOCCURRING FEE TYPES		**COMMERCIAL**		**RESIDENTIAL**	
1st Occurrence		No Charge		No Charge	
2nd Occurrence		No Charge		No Charge	

3rd Occurrence		No Charge		No Charge		
4th Occurrence		$100.00		$50.00		
5th Occurrence		$150.00		$100.00		
6th Occurrence		$250.00		$150.00		
Reoccurring		$500.00		$250.00		

FIRE SAFETY INSPECTION FEE TYPES | **FEE**

FIRE HYDRANT FLOW TEST — See Utility Department
(Per site, per test, paid in advance) — Fee Schedule

NON-PROFIT

PUBLIC SCHOOLS, AGRICULTURAL,
HOUSES OF WORSHIP — No Charge

NOTE: This fee schedule will be reevaluated annually on October 1st of each year.

This Resolution shall be effective upon the passage on the first reading by the City Council and upon signing by the Mayor.

PASSED AND ADOPTED by the City Council of the City of Zephyrhills, Florida sitting in regular session this 12th day of May, 2025.

ATTEST: ____________________________
Ricardo Quiñones, City Clerk

____
Charles E. Proctor, Council President

____
Melonie Bahr Monson, Mayor

Approved as to legal form and legal content.

____
Matthew E. Maggard, City Attorney

CITY PERMIT AND SAFETY FEE SCHEDULE

PLAN REVIEW FEE TYPES		FEE
Site Plan		No Charge
Multi-family/Commercial		.03 per sq ft (includes final inspection) Minimum Charge $24.00
Sprinkler System		$50.00 (0-25 heads) $100.00 (over 25 heads)
Standpipes		$50.00 per riser
Fire Pump		$100.00
Fire Alarm		$50.00 (0-25 devices) $100.00 (over 25 devices)
Suppression Systems (wet, dry, CO2, other)		$50.00
Commercial Kitchen Exhaust Hoods/Ducts		$50.00
LP Install		$50.00 per tank
Fuel Tank Installation		$50.00 per tank
Spray Booth		$50.00
Natural Gas Install		$50.00 per system
Plan Revisions		Double Initial Fee

PERMIT FEE TYPES		FEE
LP/Natural Gas (installation & annual sale)		$50.00
Fuel Tanks		$50.00 per tank
Sparklers (includes inspection)		$100.00
Fireworks (stands/display events) (includes inspection)		$500.00
Camp Fire (recreational burn/includes inspection)		$25.00
~~Controlled Burn (includes site inspection and DEP or DOF consultation - good for 15 days)~~		~~$100.00~~
Flammable Application (includes inspection)		$50.00 annual
Waste Tire Storage (includes inspection)		$50.00 annual
Emergency Generator Installation < 30 KW (includes inspection)		$100.00
~~Emergency Generator Installation > 30 KW (includes inspection)~~		~~$100.00~~
~~Bio-hazard Waste Storage over 25# per day or 175# per week (includes inspection)~~		~~$100.00 annual~~
~~Fumigation Tenting (includes inspection)~~		~~$50.00~~
~~Torch Pot/Torch Applied Roofing Operations (includes inspection)~~		~~$50.00~~
~~Hazardous Materials Business (Tier II facility or RQ)~~		~~$50.00~~

SPECIAL FEE TYPES		FEE

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Suppression (includes sprinkler, standpipes, fire pumps, hoods, etc.).		$50.00
Fire Alarm		$50.00
Commercial Kitchen Exhaust Hood/Duct		$50.00
Place of Assembly (includes inspection and certification)		$50.00 annual
Fire Protection Maintenance (includes sprinkler, fire alarm, hood cleaning, spray booths & suppression/includes inspection)		$25.00
Tent (10'x10' or greater)		$15.00 per tent

NEW CONSTRUCTION ACCEPTANCE TYPES		**FEE**
Commercial Automatic Sprinkler System Hydrostatic Test		$65.00 per system
Sprinkler Acceptance		$45.00 per system
Fire Pump		$45.00
Hydrant Flow		$75.00
Fire Alarm Acceptance		$50.00
Recall Acceptance		$50.00
Fire/Smoke Walls		$15.00 per wall
LP/Natural Gas		$25.00 per tank
Re-inspection (other than annual)		Double normal inspection fee
Inspection scheduled but cancelled < 24 hours		Double normal inspection fee
Commercial Kitchen Exhaust Hood/Duct		$30.00
Construction Inspection/Consultation		No Charge
Emergency vehicle access inspection		$50.00
Fire Suppression System Acceptance		$30.00

OCCUPANCY

~~Education, Healthcare, Detention & Correctional Assembly, Business, Storage, Mercantile, and Industrial. Commercial~~
Commercial

ANNUAL FIRE SAFETY INSPECTION TYPES		**FEE**
Up to 800 sq. ft.		$24.00
801 to 1,500 sq. ft.		$34.52
>1,501 – 2,500 sq. ft.		$60.02
>2,501 – 3,500 sq. ft.		$90.02
>3,501 – 5,000 sq. ft.		$127.52
>5,501 – 7,500 sq. ft.		$187.52
>7,501 – 10,000 sq. ft.		$262.52
>10,001 – 15,000 sq. ft.		$375.02

>15,001 – 20,000 sq. ft.		$525.02
>20,001 – 30,000 sq. ft.		$750.02
>30,001 – 40,000 sq. ft.		$1,050.02
>40,001 – 60,000 sq. ft.		$1,500.02
>60,001 – 80,000 sq. ft.		$2,100.02
>80,001 ($2,100.02) + per each additional 1,000 sq. ft.		$0.06

~~RESIDENTIAL (3 UNITS OR MORE)~~		~~FEE~~
~~3-11 UNITS (price per unit)~~		~~$5.36~~
~~12-25 UNITS (price per unit)~~		~~$4.82~~
~~26-50 UNITS (price per unit)~~		~~$4.29~~
~~51-100 UNITS (price per unit)~~		~~$3.75~~
~~101 OR MORE UNITS (price per unit)~~		~~$2.68~~

ADDITIONAL ~~TO ALL APPLICABLE~~ FEES ~~LISTED ABOVE~~ FOR ALL OCCUPANCY TYPES

FIRE SAFETY RE-INSPECTION TYPES		FEE
FIRST RE-INSPECTION		N/C
SECOND RE-INSPECTION		$75.00
THIRD RE-INSPECTION		$125.00
INSPECTION SCHEDULED BUT CANCELLED <24 HRS		$50.00

~~* IF NOT IN COMPLIANCE AFTER THE THIRD RE-INSPECTION AND REFERRED TO CODE ENFORCEMENT~~**

SPECIAL SERVICE FEE TYPES		FEE
Indoor retail sales of legal pyrotechnical items		$42.86
~~Standby fire watch (after hours)~~ ~~Inspections (per hour/per inspector/firefighter)~~		~~$50.00~~

FALSE ALARMS RESULTING IN ZPD RESPONSE IN A 12 MONTH PERIOD (per incident) ~~ZPD~~

REOCCURRING FEE TYPES		COMMERCIAL		RESIDENTIAL	
1st Occurrence		No Charge		No Charge	
2nd Occurrence		No Charge		No Charge	
3rd Occurrence		No Charge		No Charge	
4th Occurrence		$100.00		$50.00	
5th Occurrence		$150.00		$100.00	

33250379v1

6th Occurrence		$250.00		$150.00	
Reoccurring		$500.00		$250.00	

FIRE SAFETY INSPECTION FEE TYPES **FEE**

FIRE HYDRANT FLOW TEST ~~Defer to Zephyrhills Public Utilities~~
See Utility Department
(Per site, per test, paid in advance) Fee Schedule

NON-PROFIT

PUBLIC SCHOOLS, AGRICULTURAL,
~~HOURS~~HOUSES OF WORSHIP No Charge

~~**FIRE SAFETY INSPECTION SEMI-ANNUAL FEE TYPES**~~ ~~**FEE**~~

~~**FIXED FIRE SUPPRESSION SYSTEMS**~~
~~(Performed 6 months after the certification date on the tag)~~
~~ONE CYLINDER – UP TO 6 HEADS $42.86~~
~~TWO CYLINDERS – UP TO 12 HEADS $85.73~~

NOTE: This fee schedule will be reevaluated annually on October 1st of each year.

~~Fire Watch/EMS Stand-by: Fire Watch/EMS Stand-by is established by the Fire Marshal or designee at times where the total occupant load exceeds the building capacity for a special event, at large outdoor events where a there is a large crowd in a confined area, at an event where there may be a hazardous condition (example: fireworks display), when a fire alarm system is down for more than 4 hours, at activities requiring Emergency Medical Technicians (EMT's) and/or Paramedics to be in attendance for immediate medical care to the sick or injured, or at any other time the Fire Marshal or designee deem it necessary.~~

~~Fire Watch/EMS Stand-by is paid at the employee's overtime rate, which is agreed to be 1.5 times the employee's hourly rate plus benefits. There shall be a two (2) hour minimum charge and a combination of EMT and Paramedic personnel may be used to lessen the charge.~~
~~This resolution shall become upon execution.~~

City Council Meeting
May 12, 2025

Information Only

CITY MANAGER'S REPORT 5.1

Chicken Ordinance - Discussion

Issue:

Staff has been approached by citizens regarding amending the backyard chicken ordinance. The current ordinance prohibits the keeping of backyard chickens.

Background:

Attachment(s):

None

Fiscal Impact:

Staff Recommendation:

City Council Meeting
May 12, 2025

Action Item

CITY MANAGER'S REPORT 5.2

Tennis Center Agreement 37-25-05 - Indoor Facility

Issue:
The amendments to the agreement are necessitated by the construction of the new indoor facility located at the Tennis Center.

Background:
The amended agreement allows for:

- Provides for the use of the indoor facility for special events, such as Pasco TDC Annual Banquet, Economic Summit, MAP, and Christmas Party;
- The City to utilize the indoor facility for eight weeks every summer for the summer recreation program from 7:30 a.m. to 12:30 p.m.

All other aspects of the original agreement remain the same.

Attachment(s):

1. Amended and Restated MTCZ SVB Management Agreement(33250989.1)

Fiscal Impact:
There is no fiscal impact with the approval of the amended agreement.

Staff Recommendation:
Staff recommends approval of the amendments to the attached agreement.

AMENDED AND RESTATED SARAH VANDE BERG TENNIS CENTER MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED SARAH VANDE BERG TENNIS CENTER MANAGEMENT AGREEMENT (hereinafter "AMENDED AGREEMENT") is made between the **CITY OF ZEPHYRHILLS**, a Florida municipal corporation (hereinafter "CITY"), and **MOURATOGLOU TENNIS CENTER ZEPHYRHILLS LLC**, a Florida limited liability company ("CONTRACTOR").

WHEREAS, CITY has entered into the Sarah Vande Berg Tennis Center Management Agreement, dated as of October 11, 2017 (the "Management Agreement"), with Tennis Pro Florida LLC, a Florida limited liability company ("TPF"), as amended by a First Addendum dated as of November 13, 2017 and repealed and replaced by an Amended Sarah Vande Berg Tennis Center Management Agreement dated as of September 14, 2020, further amended by a First Addendum to Amended Agreement dated July 21, 2022, which addendum was repealed and replaced by a Second Addendum dated April 24, 2023 (but effective as of April 10, 2023), and by a "First Addendum to Sarah Vande Berg Tennis Center Management Agreement" dated November 13, 2023 [expressly referring to the 2017 Management Agreement and its "First Addendum.]"

WHEREAS, the Management Agreement has been assigned to CONTRACTOR, with CITY's approval and consent, in connection with the acquisition by CONTRACTOR of substantially all of the assets of TPF, including all of TPF's rights, title and interest in, under and to the Management Agreement (the "Acquisition");

WHEREAS, the CITY and CONTRACTOR to entered into a new management agreement on August 26, 2024, relating to the Sarah Vande Berg Tennis Center (the "Agreement"), substantially upon the same terms and conditions as the Management Agreement which Agreement repealed and replaced all previous agreements and addenda entered into with TPF up to the date of the Agreement;

WHEREAS, the CITY is approaching the completion of a new Indoor Tennis Center and CITY and CONTRACTOR wish to amend the Agreement to include the Indoor Tennis Center;

NOW, THEREFORE, CITY and CONTRACTOR, for and in consideration of the provisions, mutual promises, covenants and conditions hereinafter set forth or recited, agree as follows:

ARTICLE 1. DEFINITIONS

1. The BEGINNING DATE of the Agreement shall be August 1, 2024.

2. The effective date of this Amended Agreement shall be April 14, 2025.

3. EXPIRATION DATE shall be September 30, 2040, or if this Amended Agreement is automatically renewed, the renewal expiration date as provided in Section 3.1.

3. FISCAL YEAR shall mean the period beginning October 1st of any year through September 30th of the following year.

4. TENNIS CENTER means the real property and all improvements located on the Property described on Exhibit “A” attached hereto, including the new Indoor Tennis Center.

5. PROPERTY means the land on which the Tennis Center is located which has a street address of 6585 Simons Road, Zephyrhills, FL 33541 with a Parcel ID Number of 04-26-21-0000-39900-0010 and 6495 Simons Road, Zephyrhills, FL 33541 with a Parcel ID Number of 04-26-21-0000-00200-0014.

ARTICLE 2. GENERAL REQUIREMENTS

§2.1 Management of the Tennis Center. CITY hereby hires CONTRACTOR to manage, supervise, and operate the Tennis Center in accordance with this AMENDED AGREEMENT. CONTRACTOR has the responsibility and authority to implement operating policies that adhere to policies that are customary with similar types of facilities where applicable and shall take all actions necessary to manage and operate the Tennis Center in a manner that meets standards which are customary with other similar facilities.

§2.2 Independent Contractor. CONTRACTOR is, at all times and for all purposes, an independent contractor with respect to the CITY and the CITY shall not have the authority or responsibility to supervise the day-to-day activities of the CONTRACTOR or CONTRACTOR'S employees. Nothing in this Agreement and its performance shall create an employment or agency relationship between CITY and CONTRACTOR. Nevertheless, CONTRACTOR agrees to seek advice from CITY and cooperate with CITY in its management of the Tennis Center, and the parties both agree to cooperate with each other regarding the management of the Tennis Center.

§2.3 Use of the Property. CITY grants to CONTRACTOR the use and possession of the Property during the term of this AMENDED AGREEMENT for the purposes of managing and operating the Tennis Center, subject to the rights of CITY under this AMENDED AGREEMENT.

The CITY has the right to utilize the Tennis Center Meeting Rooms for regular meetings to conduct City business at no cost to the CITY; provided that CITY gives 48 hours prior written notice to CONTRACTOR.

The CITY has the right to utilize the Tennis Center for special events at no cost to the CITY. Examples of special events include but are not limited to, Pasco County Tourist

Development Council Annual Banquet, City Christmas Party, Zephyrhills Economic Summit, Municipal Association of Pasco Meetings and Joint Meetings with Pasco County Board of County Commissioners. CITY shall give prior written notice to CONTRACTOR of any such event as provided in Section 5.2 of this AMENDED AGREEMENT.

The CITY has the right to utilize the Indoor Tennis Center facility for eight (8) weeks every summer (June 1 to July 31st) for its summer recreation youth program, unless the CITY requires different dates based on the District School Board Calendar for Pasco County. During the summer recreation program, the City shall have exclusive use and possession of the Tennis Center indoor courts Monday through Friday from 7:30 am EST to 12:30 pm EST.

§2.4 CITY'S Right to Inspection. CITY and its representatives have the right at all reasonable times to enter upon and to examine and inspect the Tennis Center for any reason. In the event of a default, CITY has the right of access to the Tennis Center that is reasonably necessary to cause the proper maintenance of the Tennis Center.

§2.5 ALTERATIONS to Property. CONTRACTOR shall not make any material alterations to the Property without the express written consent of CITY. A material alteration shall be defined by an action by CONTRACTOR that would require a permit to perform.

ARTICLE 3. TERM

§3.1 Term.. The term of this AMENDED AGREEMENT shall be a period commencing on the BEGINNING DATE and expiring on September 30, 2040. There are two (2) subsequent, ten (10) year renewal option, unless terminated earlier under one of the provisions of Article 10 of this AMENDED AGREEMENT. Nothing in this Article shall be construed as a limitation on either party's right to terminate this AMENDED AGREEMENT in accordance with Section 10.7 hereof. Both Parties shall issue its decision, in writing, to renew this AMENDED AGREEMENT, or allow this AMENDED AGREEMENT to expire a minimum of six (6) months in advance of the then applicable expiration date, to ensure a smooth transition if a change is to occur following the end of the then current term.

ARTICLE 4. RESPONSIBILITIES OF CONTRACTOR

§4.1 Operation of the Tennis Center. In the management, supervision and operation of the Tennis Center, CONTRACTOR shall:

a) operate the Tennis Center as a municipal Tennis Center which is open to the general public without discrimination on any basis prohibited by applicable law, regulation or ordinance, subject to fees, rules, and policies approved by the CITY, and within this AMENDED AGREEMENT;

b) establish fees upon mutual agreement with CITY but based on comparable market rates for similar facilities and similar reputation;

c) operate the Tennis Center in a professional, efficient and cost-effective manner and provide quality programs, services, and retail sales;

d) adhere to best practice financial management principles, and maintain efficient and accurate accounting records in accordance with generally accepted accounting principles in the format defined by the CITY'S Finance Director. CONTRACTOR must provide audited financial statements to the CITY within one hundred and fifty (150) days of the end of each fiscal year.

e) comply with all applicable federal, state and local laws, ordinances, rules, policies, and regulations;

f) operate and maintain a clean, well-organized, efficient, customer friendly pro shop, which offers merchandise, a stringing machine and provides quality customer service;

g) maintain an annual minimum wholesale inventory of $15,000 of merchandise in the pro shop;

h) maintain a minimum of Eighty (80) open hours weekly as weather permits and operate the Tennis Center during designated days and hours of operation to be determined by CONTRACTOR with approval by the CITY MANAGER;

i) establish, develop and implement ongoing, year-round programs and events for all ages, including, but not limited to, instruction, clinics, drills, camps, leagues, tennis socials, fundraisers and tournaments;

j) ensure quality customer service in the delivery of all aspects of tennis services provided and ensure 100% of both employee and contract staff who are employed at the time of the annual training participate in annual customer service training approved by the CITY;

k) maintain the Tennis Center in a quality and safe condition;

l) maintain all personal property, tennis equipment and tennis program supplies owned by CONTRACTOR in good working order;

m) maintain an organizational membership with the United States Tennis Association (USTA), and either the United States Professional Tennis Association (USPTA), or the Professional Tennis Registry (PTR);

n) pay all operating expenses of the Tennis Center, except for those expenses which the CITY agrees herein to pay;

o) Intentionally Omitted;

p) reserve two (2) tennis courts within the Tennis Center for members to participate in open (non-tournament) play at all times except for specific dates/times preapproved by the CITY MANAGER on an individual basis;

q) not conduct tournaments which occupy all tennis courts without CITY approval;

r) submit all proposed tournaments that will use 4 or more courts to the CITY MANAGER or designee for approval a minimum of 30 days in advance of the tournament date, with no more than two tournaments to be scheduled per month that use the entire facility;

s) maintain the tennis courts surface using brooms and squeegees/water brooms daily in a clean and safe condition, free of debris, and leaves;

t) provide and maintain tennis court amenities including items such as: court benches, water and scoring devices;

u) notify CITY when, in the opinion of CONTRACTOR, any part of the Tennis Center maintained by CITY requires maintenance. Notification should be made in writing, to the CITY MANAGER or his/her designee. If, however, the parties disagree about the condition and/or required maintenance of the CITY maintained facilities, CONTRACTOR will notify CITY in writing of the reasons behind CONTRACTOR'S request. CITY will respond to CONTRACTOR in writing within ten (10) business days of receipt of CONTRACTOR'S written request along with a response and reasoning for any denial of requested maintenance. CITY'S determination regarding the need for maintenance will be final but will not be unreasonable in denying any request for maintenance. Any maintenance requests which were not denied, but failed to uphold in a reasonable time, may be resolved by CONTRACTOR so long as the repair does not exceed $2,500.00 and costs shall be reimbursed to CONTRACTOR. An annual inspection by both parties will be made to determine any on-going maintenance and long-term improvements.

v) CONTRACTOR shall not operate a tennis center or any tennis programing in a fifty (50) miles radius that competes with the Tennis Center as of the BEGINNING DATE without specific written permission from the CITY, but CONTRACTOR may collaborate with competing facilities if beneficial to the success of the Tennis Center.

§4.2 Equipment Provided by Contractor.

CONTRACTOR agrees to provide adequate equipment to the Tennis Center which shall be maintained by CONTRACTOR:

i. A list of all fitness equipment provided by CONTRACTOR is attached hereto as Exhibit "A".

ii. The fitness equipment shall be replaced by CONTRACTOR periodically according to generally accepted industry standards.

§4.3 Rules and Policies. CONTRACTOR agrees to conduct business at the Tennis Center in accordance with the policies of Mouratoglou Tennis Centers worldwide. Additionally, the CONTRACTOR shall provide written notice to the CITY MANAGER when CONTRACTOR makes any substantial changes to its operating procedures or policies affecting the public's use of the Tennis Center, including changes to hours of operation. CONTRACTOR agrees not to utilize the Property without the CITY's prior written approval for any purpose other than for conducting tennis, padel or pickleball programs, fitness center, retail pro shop, food/snack/beverage sales, tennis, padel or pickleball tournaments and tennis, padel or pickleball camps, provided, however, that the CITY's approval shall not unreasonably be withheld.

CONTRACTOR will be permitted to close or partially close the Tennis Center upon notice to the Tennis Center on designated CITY holidays, designated Tennis Center holidays and for inclement weather (on-going rain, temperatures below 40 F, for severe heat or approaching severe weather such as tornadoes). CITY reserves the right to approve the closing of the Tennis Center at times other than as provided in this Agreement.

CONTRACTOR agrees not to make any permanent physical improvements without written approval from the CITY MANAGER. All proposed projects/improvements will be considered on a project by project basis and must be consistent with the overall intended use of the Tennis Center. Requests for CITY MANAGER approval must be made a minimum of ninety (90) days in advance of the proposed installation date of any proposed improvement. The CITY MANAGER is the point of contact for any desired improvements or modification, and will determine the appropriate course of action for CITY approval.

CITY owned property and fixtures located at the Tennis Center as of the beginning date of this AMENDED AGREEMENT will remain at the Tennis Center for the use of the CONTRACTOR in the operation of the Tennis Center. However, said property will remain CITY property and shall be returned to the CITY upon request.

§4.4 Promotion of Tennis Center Activities.

(a) CONTRACTOR agrees to use reasonable efforts to conduct a continuous program of marketing which will include, but is not limited to, maintaining a website, advertising, public relations, and promotional activities to assure that the Tennis Center has an appropriate and ongoing marketing campaign.

(b) CONTRACTOR may be required to offer Zephyrhills residents the opportunity to register early for all Tennis Center activities if deemed necessary by the CITY MANAGER.

(c) CITY will provide a specific section on the City's website for marketing of the Tennis Center and Tennis Center programs and events.

(d) CITY will provide links to the CONTRACTOR website and post events and press releases as content is approved by the CITY. CONTRACTOR will not determine any CITY website written or visual content, nor any CITY press release content. The CITY will work with CONTRACTOR to provide reasonable coverage. CONTRACTOR shall provide CITY content for placement on the CITY website and/or for CITY press release 30 days prior to the proposed date for posting or release, unless otherwise approved by the CITY MANAGER. CONTRACTOR may determine its own website content and content for CONTRACTOR'S press releases.

(e) CONTRACTOR may develop its own sponsorship programs which are to be sold to advertisers to generate revenue for the Tennis Center. However, any permanent signs are to be uniform with the Tennis Center design and will require CITY approval.

§4.5 Tennis Center Personnel.

(a) CONTRACTOR shall provide employees and/or contractors for the Tennis Center, including management and other necessary staff determined by CONTRACTOR to be necessary for the operation of the Tennis Center to the customary standards of Mouratoglou Tennis Centers. All personnel shall be employees of CONTRACTOR or independent sub-contractors of CONTRACTOR, and not employees or independent sub-contractors of CITY.

(b) CONTRACTOR shall attract and develop professional tennis instructors, which can be employees and/or contractors, who are capable of providing quality tennis instruction services which are generally expected of a quality Tennis Center.

(c) CONTRACTOR shall ensure that its employees and contractors maintain a professional appearance and demeanor at all times.

(d) CONTRACTOR shall establish requirements for employees and contractors at least as stringent as those established by the CITY'S personnel policies with respect to CONTRACTOR'S employees and contractors assigned to the Tennis Center, including the responsibility to conduct pre-employment and annual criminal background checks and pre- employment and for-cause drug screenings. CONTRACTOR shall not assign to the Tennis Center, even on a temporary basis, including during the interview process, any person who has not successfully passed or who fails a criminal background check. CONTRACTOR shall make available results of such screenings to CITY. CITY will provide a copy of the CITY'S personnel policies to CONTRACTOR and arrange for CITY'S Director of Human Resources to meet with and review all applicable policies with CONTRACTOR on an annual basis and upon request of CONTRACTOR. CITY will also inform CONTRACTOR regarding CITY'S current testing and screening procedures and vendors.

(e) CONTRACTOR shall keep the CITY MANAGER informed about employee and contractor turnover, and policy changes that affect staffing of the Tennis Center.

(f) CONTRACTOR shall immediately notify the CITY MANAGER of any personnel or other issues that impacts the health, safety or welfare of Tennis Center patrons, or that could prove detrimental to the public image of the Tennis Center and/or the

CITY.

(g) CONTRACTOR shall provide at all times a minimum one full-time tennis professional to provide lessons and coordinate events in accordance with USPTA and/or PTR standards. All Full-time tennis professionals that are hired by the CONTRACTOR shall be required to receive certification through USPTA and/or PTR within one year from date of hire.

(h) CONTRACTOR shall have a minimum of one staff member or contractor with current CPR Certification on site during tennis-playing hours.

§4.6 Operations Review.

Periodically, but not less than every six months, CONTRACTOR shall meet with CITY (CITY MANAGER or his/her designee and Finance Director) to review the CONTRACTOR'S management, promotional activities, programs, finances, and policy recommendations concerning the Tennis Center. Each six (6) months, CONTRACTOR will provide monthly compiled financial statements without disclosures compiled by an independent Certified Public Accountant licensed in the State of Florida, and a monthly attendance and program participation report.

§4.7 Performance Measures.

(a) Participation Levels: The CONTRACTOR must develop and maintain participation levels in overall tennis instruction for youth through seniors. Monthly program participation reports shall be provided by CONTRACTOR to CITY MANAGER every six (6) months.

(b) Complaints: The CONTRACTOR must respond to all written inquiries (complaint form or email) and complaints from users within seven (7) business days and produce a bi-annual report to the CITY MANAGER regarding the complaints and the CONTRACTOR'S responses. The CITY agrees to also forward any inquiries and complaints it receives to the Tennis Center in writing within two (2) business days.

(c) Cleanliness of Facility: The CITY will inspect the Tennis Center on a monthly basis.

§4.8 Licenses and Permits. CONTRACTOR shall obtain all licenses and permits required by governmental entities for activities conducted at the Tennis Center. CONTRACTOR will provide a copy of all licenses to the CITY MANAGER.

§ 4.9 Information Technology.

(a) CONTRACTOR will be responsible for all technical support for software and hardware utilized in the management of the Tennis Center.

(b) CONTRACTOR will be responsible for obtaining private internet service necessary for the operation of the Tennis Center.

(c) CONTRACTOR will be responsible for obtaining the phone service necessary for the operation of the Tennis Center.

§4.10 CONTRACTOR'S Responsibility for Furnishings and Equipment.

CONTRACTOR shall provide all necessary equipment and furnishings for the operation of the Tennis Center, including, but not limited to, office furniture and supplies, and other equipment needed for the successful operation of the Tennis Center. Said items shall be permanent and owned by CITY. However, if CONTRACTOR provides any sports memorabilia for the Tennis Center, the memorabilia will remain the property of the CONTRACTOR.

ARTICLE 5. CITY / CONTRACTOR RIGHTS AND RESPONSIBILITIES

§ 5.1 CITY / CONTRACTOR responsibilities.

(a) CITY will review and provide all signage to be placed on and around the Tennis Center with the goal to ensure the consistency of all signage. CONTRACTOR will help CITY determine signage needs prior to creation of and placement of signage.

(b) CONTRACTOR will identify and determine standards and provide for Tennis Center amenities such as benches (including on-court benches) and tables, with the goal to ensure consistency. All standards and amenities shall be mutually approved by CONTRACTOR and the CITY MANAGER or his/her designee.

(c) CITY shall be responsible for the construction and maintenance/repair of major Building/Site elements (including, but not limited to, the roof, utilities, HVAC, parking lot, sidewalks, landscape installation, parking lot and landscape lighting on the exterior of the complex) hard/concrete tennis courts, on-court fencing, court fencing and perimeter fencing) and pay for all related necessary repairs to the physical conditions of the Tennis Center

(d) CONTRACTOR shall be responsible for the maintenance of tennis related items including, but not limited to, the clay and grass tennis courts, tennis court nets, shade structures, walls, doors, flooring, turf and landscape areas (including landscape lighting), hardscape areas, permanent seating, trails and walkways. CONTRACTOR shall also be responsible for all general clean-up, including providing for interior janitorial services.

(e) CONTRACTOR shall be responsible for the maintenance of all landscaping and sod, including routine cutting, pruning, mowing, and fertilizing. Any plants, shrubs, trees, etc. that die, must be replaced by CONTRACTOR within a reasonable time.

(f) CITY shall be responsible for maintaining and repairing, promptly upon CONTRACTOR's request, all plumbing, electrical, lighting fixtures, heating, ventilating and air conditioning, natural gas, systems and fixtures (light bulbs, lamps and air conditioning filters shall be provided by CONTRACTOR).

(g) CONTRACTOR will provide day-to-day general clean-up in preparation for and following, all Tennis Center related classes, programs, events, and activities. CONTRACTOR agrees to maintain the Tennis Center in a good and operational condition. CONTRACTOR shall assist the CITY by notifying the CITY in writing of any specific needs for repair, and the CITY will respond to the CONTRACTOR in writing with an estimated timeline for repair.

(h) CONTRACTOR shall be responsible for monthly statements for services for water, sewer, electricity, natural gas, and security (alarm monitoring) expenses. CONTRACTOR is not responsible for the maintenance or repairs of said items.

(i) CITY shall install and maintain an automated external defibrillator (AED) at the Tennis Center.

(j) Except as provided in Section 5.2(b), CITY grants CONTRACTOR the exclusive right to conduct all intended activities at the Tennis Center (including but not limited to fitness, instruction, leagues and tournaments), unless otherwise waived by CONTRACTOR, and the CITY will not compete with the Tennis Center and will not permit the use of CITY owned tennis courts by other individuals or entities for profit-making purposes.

(k) CONTRACTOR is hereby authorized by CITY to sell and serve alcoholic beverages on the Tennis Center Property in accordance with all applicable state and local laws and regulations governing the sale and consumption of alcohol in the State of Florida. CONTRACTOR shall be solely responsible for obtaining and maintaining all necessary licenses, permits and approvals required for the sale of alcohol at the Tennis Center. CONTRACTOR shall comply with all applicable laws, rules and regulations related to the sale and service of alcohol, including but not limited to 'The Beverage Law' which is defined as chapters 561, 562, 563, 564, 565, 567, and 568 of the Florida Statutes."

§ 5.2 CITY RIGHTS

(a) CITY shall prominently display signage, provided by the CITY that highlights the Tennis Center as a CITY facility; provides contact information for Tennis Center user comments, questions and concerns;

(b) CITY may utilize the Tennis Center for CITY meetings at no charge. CITY will provide CONTRACTOR with at least thirty (30) days' notice of requested upcoming usage and will coordinate with CONTRACTOR to schedule joint functions and use of meeting space to avoid scheduling conflicts with previously scheduled tournaments, events or programs.

(c) CITY may conduct interim surveys as needed to regularly benchmark user satisfaction on programs, services and facilities.

(d) CITY may utilize the Indoor Tennis Center for the CITY's Summer Recreation Program (hereinafter "Summer Rec") for the Academic Summer as defined year to year by the Pasco County School District. CITY shall have use of the indoor facility daily from 7:30 am – 12:30 pm and shall have exclusive use of the number of courts and other space in such indoor facility as enrollment requires from year to year but at no less than one indoor tennis court. The space required by enrollment shall be at the sole discretion of CITY. CITY's use of the indoor tennis facility for Summer Rec shall be at no cost to the CITY.

§ 5.3 CITY COMMITMENTS

CITY agrees to work with CONTRACTOR and appropriate elected officials at the State and Federal level to seek State and/or Federal funds to assist with construction of the below listed improvements. CITY shall assist CONTRACTOR in procuring construction services, providing construction management monitoring, and other necessary activities to assist in completion of the listed improvements. CITY is in no way committing to funding construction, design or engineering of any of the listed projects and CITY support is contingent upon receipt of State or Federal funds to fully fund the project or projects: Enlargement of the Tennis Center fitness/gym area;

a. Enlargement of the Tennis Center fitness/gym area;

b. Building of a medical center for doctors, physical therapists, massage therapists and other wellness services and products; and

c. Renovation/construction of an Olympic or semi-Olympique pool on a lot adjacent to the Tennis Center.

ARTICLE 6. CONSIDERATION

§6.1 Revenues Due to CITY. During the first three (3) years of this AMENDED AGREEMENT, from the date of opening of the Tennis Center, there shall be no revenues due to the CITY. Subsequent to year three (3), CONTRACTOR shall pay CITY fifteen percent (15%) of the Tennis Center's first $100,000.00 net income for the period from the BEGINNING DATE to the first anniversary date thereof. For net income of $100,000.01 through $200,000.00, CONTRACTOR shall pay CITY twelve percent (12%) of the Tennis Center's net income. For net income of $200,000.01 and above, CONTRACTOR shall pay CITY eight percent (8%) of the Tennis Center's net income. Beginning upon the first anniversary of the BEGINNING DATE, CONTRACTOR shall tender quarterly payments to CITY on or before April 15th, July 15th, October 15th, and January 15th each year. Revenues due to the CITY for year two (2) shall be paid in equal monthly installments through years three (3) and four (4) along with revenues from those respective years. In determining the amount of the second year quarterly payments, CONTRACTOR shall use the net income from year one as a revenue estimate. After final net income is calculated each fiscal year, any adjustments for underpayment or overpayment, shall be factored into the next quarterly payment. The following areas of sales of the Tennis Center are excluded from being included in the net income calculations for this subsection: (a) alcoholic beverage revenue, (b) retail/merchandise revenue, and (c) revenue from advertising/sponsorship sales. All other revenues generated from the Tennis Center, including but not limited, Food sales, Tutoring Tuition, Lessons, Rentals, and Memberships shall be included. For purposes of calculating net income of CONTRACTOR, distributions to CONTRACTOR's parent company or its affiliates shall not exceed $100,000.00 per year. After the appropriate percentage of net income is paid to CITY, the CONTRACTOR is free to provide distributions to the equity owner's if funds are available.

ARTICLE 7. FINANCES

§7.1 Fees and Charges.

a) Court rental fees to be charged at the Tennis Center shall be recommended by the Contractor and any future subsequent changes with approval by the CITY Council. CITY and CONTRACTOR agree that fees should be sufficient to pay operating expenses, but also be competitive with an emphasis to provide everyone an opportunity to participate.

b) All patrons of the Tennis Center shall be charged according to a published schedule of court fees and charges. CONTRACTOR does not have to charge court fees for the use of the tennis courts at the Tennis Center by (i) guests playing with employees of CONTRACTOR, (ii) touring pros, former pros, and/or (iii) participants in charity events. Otherwise, neither CONTRACTOR nor CONTRACTOR'S employees, agents or sub-contractors shall waive any court fees without CITY MANAGER approval.

§7.2 Annual Operating Budget.

a) CONTRACTOR shall submit any proposed improvements and budget requests to the CITY MANAGER by April 1st of each year for review of potential impact to the CITY'S operating budget and capital improvements budget after an annual inspection and review of facility.

ARTICLE 8. ACCOUNTING, REPORTS, AND AUDITS

§8.2 Annual Financial Review. Within 90 days after the close of each fiscal year of the CITY, CONTRACTOR shall submit to CITY Finance Director a financial review certified by

CONTRACTOR, covering the specific financial condition and performance of the Tennis Center. The financial review must span the fiscal year then ended. Included with the financial review must be statements for the fiscal year reviews by an independent CPA licensed in the State of Florida. CITY reserves the right to require audited financial statements in lieu of reviewed financial statements, with the difference in cost paid for by the CITY. If an audit is required and the audit report does not contain an "unqualified opinion," the Contractor will provide a written plan for correcting the cause that prevented an unqualified opinion within twenty business days, to be reviewed and approved by the CITY'S Finance Director.

§8.3 CITY'S Right to Inspect and Audit. CITY has the right to inspect the books, records, invoices, deposits, sales slips, canceled checks, and other financial data or transactions of CONTRACTOR'S operation of the Tennis Center at reasonable times during normal business hours.

§8.4 Location of Records. CONTRACTOR shall store all current fiscal year Tennis Center records at the Tennis Center.

§8.5 Fiduciary Relationship. CONTRACTOR has a fiduciary duty to CITY in all of CONTRACTOR'S financial obligations to CITY in accordance with this Agreement, including, but not limited to, faithfully accounting, depositing, and reporting all payments hereunder.

ARTICLE 9. INDEMNITY AND INSURANCE.

§9.1 INDEMNITY BY CONTRACTOR. CONTRACTOR ASSUMES ALL LIABILITY AND RESPONSIBILITY FOR AND AGREES TO FULLY INDEMNIFY, HOLD HARMLESS AND DEFEND CITY AND ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES FROM AND

AGAINST ALL CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES, FOR INJURY TO OR DEATH OF A PERSON OR DAMAGE TO PROPERTY, ARISING OUT OF OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, THE OPERATION OF THE TENNIS CENTER, AND THE PERFORMANCE, ATTEMPTED PERFORMANCE OR NONPERFORMANCE OF THE WORK AND SERVICES DESCRIBED HEREUNDER OR IN ANY WAY RESULTING FROM OR ARISING OUT OF THE MANAGEMENT, SUPERVISION, AND OPERATION OF THE TENNIS CENTER UNDER THIS AGREEMENT, INCLUDING THE WORK, SERVICES, OPERATIONS AND LEGAL DUTIES OF CONTRACTOR, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, SUBCONTRACTORS, OR LICENSEES, IF ANY, REGARDLESS OF WHETHER SUCH INJURY, DEATH, OR DAMAGE IS CAUSED IN PART BY THE CITY'S NEGLIGENCE. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED AS WAIVING ANY DEFENSE OF THE PARTIES UNDER FLORIDA LAW, INCLUDING THE DEFENSE OF SOVERIGN IMMUNITY FROM SUIT OR LIABILITY. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

§9.2 INDEMNITY BY CITY. CITY ASSUMES ALL LIABILITY AND RESPONSIBILITY FOR AND AGREES TO FULLY INDEMNIFY, HOLD HARMLESS AND DEFEND CONTRACTOR, ITS PARENT COMPANIES, AND THEIR RESPECTIVE MANAGERS, MEMBERS, OFFICERS, AGENTS, SERVANTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES, FOR INJURY TO OR DEATH OF A PERSON OR DAMAGE TO

PROPERTY, ARISING OUT OF OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, A BREACH BY CITY OF ITS REPRESENTATIONS, WARRANTIES AND COVENANTS CONTAINED IN THIS AGREEMENT. IN CONNECTION WITH THIS INDEMNIFICATION OBLIGATION, CITY HEREBY IRREVOCABLY WAIVES ANY DEFENSE BASED ON SOVEREIGN IMMUNITY FROM SUIT OR LIABILITY.

§9.3 Insurance.

(a) **WORKERS' COMPENSATION**: Coverage is to apply for all employees for statutory limits in compliance with the applicable state and federal laws. The policy must include Employers' Liability with a limit of $500,000 each accident, $500,000 each employee, $500,000 policy limit for disease.

(b) **COMMERCIAL GENERAL LIABILITY - OCCURRENCE FORM REQUIRED**: CONTRACTOR shall maintain commercial general liability (CGL) insurance with a limit of not less than $500,000 each occurrence. If such CGL insurance contains a general aggregate limit, it shall apply separately to this location/project in the amount of $1,000,000. Products and completed operations aggregate shall be $1,000,000. CGL insurance shall be written on an occurrence form and shall include bodily injury and property damage liability for premises, operations, independent contractors, products and completed operations, contractual liability, broad form property damage and property damage resulting from explosion, collapse or underground (x, c, u) exposures, personal injury and advertising injury. Damage to premises shall be included at $100,000.

(c) **COMMERCIAL AUTOMOBILE LIABILITY INSURANCE**: CONTRACTOR shall maintain automobile liability insurance for any business vehicles with a limit of not less than $1,000,000 each accident for bodily injury and property damage liability. Such insurance shall cover liability arising out of any auto (including owned, hired and non-owned autos, but not personal vehicles), if any. The policy shall be endorsed to provide contractual liability coverage.

(d) **EVIDENCE OF INSURANCE**: The CONTRACTOR shall furnish the CITY with Certificates of Insurance. The Certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. The CITY is to be specifically included as an additional insured on all policies except Workers' Compensation. In the event the insurance coverage expires prior to the completion of the project, a renewal certificate shall be issued 30- days prior to said expiration date. The policy shall provide a 30-day notification clause in the event of cancellation or modification to the policy. All certificates of insurance must be on file with and approved by the CITY before the commencement of any work activities.

§9.4 No Liens or Mortgages by Contractor. CONTRACTOR agrees to pay for all materials, equipment, and labor used in connection with the performance of this AGREEMENT when and as bills or claims become due. CONTRACTOR agrees not to allow any lien or mortgage to be placed on the Property, fixtures, equipment, or other improvements at the Tennis Center regardless of whether said fixtures, equipment or improvements were provided by the CONTRACTOR without the prior written consent of CITY. CONTRACTOR shall indemnify, hold harmless and protect the premises, fixtures, equipment and the CITY from and against any claims, liens or mortgages.

ARTICLE 10. TERMINATION

§10.1 For Default. Either party may terminate this Agreement in accordance with this article for a default by the other party.

§10.2 What Constitutes a Default.

(1) The following events constitute a default by CONTRACTOR:

(a) a breach of the fiduciary obligations of CONTRACTOR including, but not limited to, those under Sections 6.1, 7.1, and 8.5 of this Agreement;

(b) filing by CONTRACTOR of a voluntary petition for protection under federal bankruptcy laws, or the failure to obtain the dismissal of an involuntary petition under federal bankruptcy laws within 30 days after filing;

(c) the inability of CONTRACTOR to provide an unqualified opinion in any required annual audit report as described in Article 8;

(d) a failure of CONTRACTOR to perform its duties under this Agreement; or

(e) The commission by CONTRACTOR or any of CONTRACTOR'S employees or contractors of a felony or crime of moral turpitude if the CITY, in its sole discretion, reasonably believes that the act suggests that the employee constitutes a threat to the users of the Tennis Center or the public at large, or that the act could, on becoming public knowledge, impair the public's confidence or trust in the CITY or CONTRACTOR or the personnel at the Tennis Center or in the operation of CITY government in general.

(f) The failure to cure a default of any term of this agreement after being provided thirty (30) days written notice.

(2) The following events constitute a default by CITY:

(a) A failure on the part of the City to maintain the Tennis Center in a good and operational condition, fulfill all of its obligations under this AMENDED AGREEMENT regarding the physical maintenance of the Tennis Center, and make timely repairs as requested by Contractor in accordance with 5.1(c) of this AMENDED AGREEMENT.

(b) A failure of CITY to perform any of its duties under this Agreement.

§10.3 Correction.

(1.) CONTRACTOR shall have 30 days after written notice from CITY specifying the nature of a default under Section 10.2(1)(a)(c) or (d) or Section 10.2(1)(e) because of the commission of an offense by an employee of CONTRACTOR, to correct the default (including without limitation, terminating the employment of an employee who causes a default of the agreement under Section 10.2(1)(e) by committing a felony or crime of moral turpitude), provided that this provision shall not apply unless CONTRACTOR shall immediately place such employee on leave or re-assign such employee to another location. If the default is of such a nature that it cannot reasonably be corrected within 30 days, the CITY may grant CONTRACTOR additional time as may be reasonably necessary to correct the default so long as CONTRACTOR diligently pursues the correction, and takes all reasonable measures to insure the safety of the public and fulfillment of CONTRACTOR'S other obligations hereunder.

(2) CITY shall have 30 days after written notice from CONTRACTOR specifying the nature of a default under Section 10.2(2) to cure the default. If the default is of such

a nature that it cannot reasonably be corrected within 30 days, the CONTRACTOR may grant CITY additional time as may be reasonably necessary to correct the default so long as CITY diligently pursues the correction, and takes all reasonable measures to insure the safety of the public and fulfillment of CITY'S other obligations hereunder.

§10.4 Election to Terminate.

(1) If CONTRACTOR is in default, CITY may elect to terminate this AMENDED AGREEMENT pursuant to this article by giving written notice of default to CONTRACTOR subject to the following: If the default is under Section 10.2(1)(b) or is under Section 10.2(1)(e) because of the commission of an offense by CONTRACTOR, this AMENDED AGREEMENT shall terminate immediately upon delivery of written notice from CITY to CONTRACTOR of its election to terminate the agreement. If the default is under Section 10.2(1)(d) or is under Section 10.2(1)(e) because of the commission of an offense by an employee of CONTRACTOR, this AMENDED AGREEMENT shall terminate upon expiration of the correction period if correction has not been made pursuant to Section 10.3, and CITY delivers to CONTRACTOR written notice of its election to terminate the AMENDED AGREEMENT via certified mail.

(2) CONTRACTOR may elect to terminate this AMENDED AGREEMENT pursuant to this article by giving written notice of default to CITY. This AMENDED AGREEMENT shall terminate upon expiration of the correction period if correction has not occurred pursuant to Section 10.3 and CONTRACTOR delivers written notice to CITY of its election to terminate the AMENDED AGREEMENT via certified mail.

§10.5 Remedy for Certain Defaults.

(a) If CONTRACTOR defaults under Section 10.2(1)(a), CONTRACTOR shall pay all amounts due CITY at the time of its default under the terms of this Agreement.

(b) CONTRACTOR may withhold fees owed to CITY if CITY fails to maintain the Tennis Center per this AMENDED AGREEMENT.

§10.6 Lien. CITY has, at all times, a valid security interest to secure payment of all fees and other sums of money becoming due under this Agreement from CONTRACTOR and to secure payment of any damages or loss that CITY may suffer by reason of CONTRACTOR'S breaching any covenant, agreement, or condition contained in this Agreement. The security interest covers all goods, wares, equipment, fixtures, furniture, and other personal property of CONTRACTOR that is now on the Property or placed on the Property at some later date, and all proceeds attributable to them. This property may not be removed from the premises without CITY's consent until all arrearages in fees and all other sums of money then due the CITY under this AMENDED AGREEMENT have been paid and discharged, and all the covenants, agreements, and conditions of this lease have been fully complied with and performed by CONTRACTOR.

If CONTRACTOR is in default, CITY may, in addition to any other remedies provided in this AMENDED AGREEMENT or by law, after giving reasonable notice of the intent to take possession and giving an opportunity for a hearing on the issue, enter on the Property and take possession of any goods, wares, equipment, fixtures, furniture, and other personal property, but not including any sports memorabilia provided by CONTRACTOR, situated on the premises, without liability for trespass or conversion, and sell the property at public or private sale, with or without having the property at the sale, after giving CONTRACTOR reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made. CITY or its assigns may buy any items to be sold at such a sale unless they are prohibited from doing so by law. Unless otherwise provided by law, and without excluding any other manner of giving CONTRACTOR reasonable notice, the reasonable notice requirement is met if notice is given at least ten (10) days before the time of sale. The proceeds from any such disposition, less any expenses connected with taking possession, holding, and selling the property (including reasonable attorney's fees and other expenses), will be applied as a credit against the indebtedness secured by the security interest granted in this section. Any surplus will be paid to CONTRACTOR or as otherwise required by law, and CONTRACTOR will pay any deficiencies immediately.

ARTICLE 11. ASSIGNMENT AND DELEGATION

Neither party shall assign or delegate this AMENDED AGREEMENT without the prior written consent of the other party.

ARTICLE 12. NOTICES

All notices to the parties shall be in writing and shall be sent by certified mail, return receipt requested, to the addressees and addresses specified below (Contact information may be updated by party requiring update providing written notice):

All notices to CONTRACTOR shall be sent to:

Mouratoglou Tennis Center Zephyrhills LLC
6585 Simons Road
Zephyrhills, FL 33541

With copy, which shall not constitute notice, to:

Abitbol & Cherry, LLP
15 Hudson Yards
New York, NY 10001

Attention: Pierre N. Abitbol, Esq.
e-mail: pierre.a@abitbolaw.com

All notices to CITY shall be sent to:

William C. Poe, Jr., City Manager
City of Zephyrhills
5335 Eighth Street
Zephyrhills, FL 33542
(813) 780-0000
wpoe@ci.zephyrhills.fl.us

with copy to:

Matthew E. Maggard, Esq.
Shumaker, Loop & Kendrick, LLP
13134 US Highway 301
Dade City, FL 33525
(352) 458-4700
mmaggard@shumaker.com

ARTICLE 13. MISCELLANEOUS

§13.1 Construction. This Agreement shall not be construed against the drafting party.

§13.2 Non-Waiver. No waiver of any breach of any term or condition of this AMENDED AGREEMENT shall be construed to waive any subsequent breach of the same or any other term or condition of this AMENDED AGREEMENT.

§13.3 Partnerships with CONTRACTOR. Any proposed partnerships (other than commercial contracts with vendors, suppliers and services providers) between CONTRACTOR and a Third Party must be approved by CITY in advance. All agreements between CONTRACTOR and Third Parties are subject to, and shall be bound by, this AMENDED AGREEMENT. CONTRACTOR shall ensure that all agreements entered into with Third Parties shall include a provision informing the Third Party that they are bound by this AMENDED AGREEMENT.

§13.4 Ownership of CONTRACTOR. If at any time, CONTRACTOR'S parent desires to sell its ownership interest in CONTRACTOR resulting in CONTRACTOR'S parent no longer owning a majority interest, such sale or transfer must be approved by the CITY; however, approval by the CITY shall not be unreasonably withheld or delayed. The new majority owner shall be required to assume responsibility for the obligations of "CONTRACTOR" identified in the AMENDED AGREEMENT; provided that such new majority holder meets all mutually agreed upon standards set forth in the AMENDED AGREEMENT.

§13.5 Name. Notwithstanding anything herein to the contrary, CONTRACTOR shall be authorized to operate as the 'MOURATOGLOU TENNIS CENTER ZEPHYRHILLS in legacy of Sarah Vande Berg'. The main building of the Tennis Center shall display the Sarah Vande Berg name subject to review and approval by CITY.

ARTICLE 14. SEVERABILITY

If any provision of this AMENDED AGREEMENT is held to be invalid or unenforceable as applied in a particular case for any reason, those circumstances shall not have the effect of rendering the provision invalid or unenforceable in any other case. The invalidity of one or more phrases, sentences, clauses, or sections in this AMENDED AGREEMENT shall not affect the remaining portions of the AMENDED AGREEMENT.

ARTICLE 15. GOVERNING LAW

This AMENDED AGREEMENT shall be governed by and construed under the laws of the State of Florida, and venue in any proceeding relating to this AMENDED AGREEMENT shall be in Dade City, Pasco County, Florida.

ARTICLE 16. BINDING CLAUSE

This AMENDED AGREEMENT shall be binding upon the parties, their heirs, executors, administrators, devisees, legatees, trustees, successors, and assigns.

ARTICLE 17. PUBLIC RECORDS

Pursuant to section 119.0701, Florida Statutes, for any tasks performed by CONTRACTOR on behalf of the CITY, CONTRACTOR shall: (a) keep and maintain all public records, as that term is defined in chapter 119, Florida Statutes (“Public Records”), required by the CITY to perform the work contemplated by this AMENDED AGREEMENT; (b) upon request from the CITY’S custodian of public records, provide the CITY with a copy of the requested Public Records or allow the Public Records to be inspected or copied within a reasonable time at a cost that does not exceed the costs provided in chapter 119, Florida Statutes, or as otherwise provided by law; (c) ensure that Public Records that are exempt or confidential and exempt from Public Records disclosure requirements are not disclosed except as authorized by law for the duration of the term of this AMENDED AGREEMENT and following completion or termination of this AMENDED AGREEMENT, if Contractor does not transfer the records to the CITY in accordance with (d) below; and (d) upon completion or termination of this AMENDED AGREEMENT, (i) if the CITY, in its sole and absolute discretion, requests that all Public Records in possession of Contractor be transferred to the CITY, Contractor shall transfer, at no cost, to the CITY, all Public Records in possession of CONTRACTOR within thirty (30) days of such request or (ii) if no such request is made by the CITY, CONTRACTOR shall keep and maintain the Public Records required by the CITY to perform the work contemplated by this AMENDED AGREEMENT. If CONTRACTOR transfers all Public Records to the CITY pursuant to (d)(i) above, CONTRACTOR shall destroy any duplicate Public Records that are exempt or confidential and exempt from

Public Records disclosure requirements within thirty (30) days of transferring the Public Records to the CITY and provide the CITY with written confirmation that such records have been destroyed within thirty (30) days of transferring the Public Records. If CONTRACTOR keeps and maintains Public Records pursuant to (d)(ii) above, CONTRACTOR shall meet all applicable requirements for retaining Public Records. All Public Records stored electronically must be provided to the CITY, upon request from the CITY'S custodian of public records, in a format that is compatible with the information technology of the CITY. If CONTRACTOR does not comply with a Public Records request, or does not comply with a Public Records request within a reasonable amount of time, the CITY may pursue any and all remedies available in law or equity including, but not limited to, specific performance. The provisions of this section only apply to those tasks in which CONTRACTOR is acting on behalf of CITY.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 813-780-000, EXT. 3543 OR CITYCLERK@ZEPHYRHILLS.FL.US OR CITY CLERK – CITY OF ZEPHYRHILLS – 5335 EIGHTH STREET – ZEPHYRHILLS, FLORIDA 33542.

ARTICLE 18. ENTIRE AGREEMENT

This AMENDED AGREEMENT and the attached exhibit(s) listed below constitute the entire agreement between the parties and, unless otherwise provided herein, may be amended only in writing, signed by all parties to this AMENDED AGREEMENT. Each Party agrees to sign two originals and provide one of the original of the signature page to the other party.

IN WITNESS WHEREOF, the parties have executed this AMENDED AGREEMENT as of May 12, 2025.

CITY OF ZEPHYRHILLS, FLORIDA

ATTEST:

By:__________________________
Ricardo Quinones, City Clerk

By:______________________________________
Charles E. Proctor, Council President

Approved as to Legal Form and Content

____
Matthew E. Maggard, City Attorney

Witnesses:

MOURATOGLOU TENNIS CENTER ZEPHYRHILLS LLC

____
Signature

____
Printed Name

____
Signature

____
Printed Name

By: __________________________________
Patrick Mouratoglou
Manager

City Council Meeting
May 12, 2025

Information Only

NOTED ITEMS 6.1

RCM Utilities, Manhole rehabilitation

Issue:
Rehabilitating approximately 27 manholes throughout the city

Background:
Continuation of the Manhole Rehabilitation Project where, over the next 10 plus years, all the older manholes will be rehabilitated and last for another 20 or more years.

Attachment(s):
1. RCM Manholes 4-23-23

Fiscal Impact:
The total for the Task Assignment is $49,490.00 and has been budgeted in the 2025 FY Budget.

Staff Recommendation:
Informational purposes only.

1451 Pine Grove Road
Eustis, FL 32726

April 23,2025

To: City of Zephyrhills
RE: Manholes 4-23-25

• Purpose
  - Task authorization for construction services as requested from Joey Theil to provide manhole rehabilitation to deteriorating manholes per attached proposal.

• Compensation and Contract
  - A budget for the work as stated totaling $49490.00 has been submitted on the Annual City of Zephyrhills Water and Wastewater Miscellaneous Construction/Maintenance Services Contract (RFP 35-19-01)

Owner:

City of Zephyrhills

By: ______________________
William C. Poe, Jr.

Contractor:

RCM Utilities, LLC

By: ______________________
Christopher R. Creech

RCM UTILITIES — FLOW, AMPLIFIED — Safety is our Priority. Workmanship is our Goal

RCM Utilities, LLC
1451 Pine Grove Road
Eustis, FL 32726
352-561-2990
billing@rcmutilities.com

Estimate 29799423
Estimate Date 5/1/2025

Billing Address
City of Zephyrhills
5335 8th Street
Zephyrhills, FL 33542 USA

Job Address
Manholes 4-23-25
5335 8th Street
Zephyrhills, FL 33542 USA

Description of work

Manholes 4-23-25

RCM Utilities agrees to provide all labor, materials and equipment to perform the following services on the below listed manholes. All work will be performed conforming to OSHA confined space requirements.

Scope:
Prepare manhole interior per manufacturer specifications.
Apply 1/2 "100% Calcium Aluminate Sewpercoat per manufacturer specifications.
Remove existing failing ring and covers.
Install new Cast FDOT manhole ring and covers provided by City.
Pour concrete collar with #3 Rebar to road grade.

COMPLETION DATE BY 7-15-2025.

All pricing will be based on Piggyback of City of Zephyrhills annual Sewer and Water Maintenance Contract

Manhole List
McCoy Court Cul-de-sac
39307 8th Ave
Muse Court Cul-de-sac
39335 8th Ave
39352 8th Ave
Carie Court
8th Ave & Carie Court
Prosper Court
39435 8th Ave
Rhonda Court
8th Ave 7 Rhonda Court
39524 8th Ave
39439 9th Ave
39525 9th Ave
39401 9th Ave
39321 9th Ave
39233 9th Ave
39232 8th Ave
Beech St & 10th Ave
39026 10th Ave
Across from Lift Stations
Cypress & 10th Ave
Between Dogwood & Cypress
5806 Cypress
Cypress & 11th Ave
Henry Drive between 20th & 19th
Between 20th St & 19th St
18th Ave Between 20th & 19th

Bob Baker
352-667-0171

Sub-Total	$49,490.00
Tax	$0.00
Total Due	$49,490.00
Deposit/Downpayment	$0.00

A service charge of 4% will be applied to all credit card purchases. For your convenience, customers may avoid this extra fee by paying with cash or a check. Payment is due within 30 days of the date of invoice. Thereafter, monthly finance charges of 1.5% or the maximum allowed by law, whichever is less, will be assessed on unpaid amounts.

ESTIMATE IS VALID FOR 30 DAYS
ESTIMATE INCLUDES ALL APPLICABLE SALES TAXES.
- DUE TO CURRENT MARKET CONDITIONS MATERIAL PRICING IS SUBJECT TO CHANGE. RCM HOLDS THE RIGHT TO REPRICE BASED ON DATE OF ORDER. DATE OF ORDER IS WHEN ALL STAMPED PLANS AND SUBMITTALS ARE RETURNED, NOT THE RELEASE OF PURCHASE ORDER OR SUB CONTRACT.

Force Majeure. Neither party shall be liable in damages nor have the right to terminate this Contract for any delay or default in performing hereunder if such delay or default is caused by conditions beyond their control including, but not limited to natural disasters, including but not limited to ground subsidence or upheaval, acts of God, Government restrictions (including the denial or cancellation of any permits, tax incentive, or other license or approvals), covid-19, labor shortage, material delays, wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected. Furthermore, neither party shall be liable for any failure or delay in performance under this Contract to the extent said failures or delays are proximately caused by those causes beyond that party's reasonable control and occurring without its fault or negligence, including, without limitation, failure of suppliers, subcontractors, and carriers, or any other party to substantially meet its performance obligations under this Contract. The party experiencing the difficulty shall give the other prompt written notice, with details following the occurrence of the cause relied upon. Dates by which performance obligations are scheduled to be met will be extended for a period equal to the time lost due to any delay so caused. Contractor's failure to perform any term or condition of this Contract because of conditions beyond its control mentioned herein or other conditions that cause delay, damage, or destruction of its work by others shall not be deemed a breach of this Contract.
Material Escalation. The Contract Price for this Project has been calculated based on the current prices for the component building materials. However, the market for these building materials is considered volatile and sudden price increases could occur. Contractor agrees to use its best efforts to obtain the lowest possible prices from available building material suppliers but should there be an increase in the prices of these materials that are purchased after execution of this Contract for use in this Project, then Owner or General Contractor agrees and shall pay the substantiated cost increase to Contractor. Any request or change order for payment of a cost increase shall state the increased cost, the building materials in question, and the source of supply, supported by invoices or bills of sale.

1. This proposal is an offer to enter into a contract, with the mutual promises contained herein constituting valuable and sufficient consideration. The execution of this proposal by the owner listed above (the "Owner") shall constitute acceptance of the offer and formation of contract (the "Contract") between the Owner (the "Owner") and RCM Utilities, LLC. The terms set forth herein, including those after the acceptance signature below and/or on subsequent pages, shall govern the Contract.
2. Warranty. The Contractor warrants all supplied materials and workmanship to be free of defects for a period of one year after installation. The Contractor warrants that materials and equipment furnished under the Contract will be new and good quality.
3. Payment. The Contractor will invoice the Owner in accordance with the schedule set forth above or, if no terms are set forth above, monthly for work performed during each calendar month. The Owner agrees that there shall be no retainage except as set forth in the schedule above. Payment is due within 30 days of the date of invoice. Thereafter, monthly finance charges of 1.5% or the maximum allowed by law, whichever is less, will be assessed on unpaid amounts.
4. Time. The Contractor shall achieve substantial completion of the work within a commercially reasonable time. At the Owner's request, the Contractor shall submit for information a construction schedule for the work, and the Contactor shall revise the schedule at appropriate intervals as required by the conditions of the work. Schedule information set forth above are estimates. The Contractor shall not be responsible for delays caused by circumstances outside the control of the Contractor.
5. Permits and Approvals. The Contractor shall secure and pay for the building permits, fees, licenses and inspections by government agencies necessary for proper execution and completion of the work. This responsibility is limited to building permits and, for the avoidance of doubt, does not extend to land use approvals, environmental permits, consumptive use permits, or other governmental approvals outside of building permits.
6. Contract Documents. Except as otherwise provided herein, the Owner shall furnish, at its expense, all necessary surveys, plans, drawings, approvals, easements, assignments, and changes required for the construction and use of the improvements. The Owner warrants the information, plans and specifications provided to the Contractor. The Contractor shall be entitled to rely on the plans and drawings supplied by the Owner; the Contractor warrants only that the work will conform to the design documents and shall have no responsibility or obligation arising out of design defects. The Contractor's warranties contained in this Contract exclude remedy for damage or defect caused by abuse, alterations to the work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear.
7. Termination. The Contractor may terminate this Contract if the Owner fails to make payment as set forth herein and the failure continues for 10 days after notice, if the Contractor is unable to perform due to the failure of the owner to provide access to the site, necessary approvals, or its efforts to complete the work are frustrated by the actions or omissions of the Owner. In the event the Contractor terminates the Contract, is may recover payment for work executed, included reasonable overhead and profit, costs incurred by reason of such termination, and damages. No refund of payments made by the Owner shall be due as a result of termination under this section.
8. Governing Law; Venue; Attorney Fees. This Contract shall be governed by the laws of the state of Florida. Venue for any dispute arising in connection with this Contract shall lie exclusively in the court of appropriate jurisdiction in the county where the work is to be performed. The parties hereby irrevocably waive the right to a jury trial in connection with any matter related to or arising out of this contract or the work performed hereunder and consent to a bench trial in any such action. The prevailing party in any litigation shall be entitled to recover its reasonable attorneys' fees from the other party.
9. Assignment; Subcontractors.This Agreement may not be assigned without consent; provided, however that nothing herein shall limit the right of the Contractor to use subcontractors and contract labor in completion of the work. Notwithstanding the foregoing, the Contract may be assigned by the Owner to a lender providing construction financing if the lender has assumed the Owner's rights and obligations under the Contract.
10. Hazards. The Owner represents that, except as disclosed in writing, there is no hazardous condition, material or substance at the site of the work. The Owner shall indemnify and hold harmless the Contractor, its subcontractors, agents and employees from and against claims, damages, losses, and expense arising out of or resulting from performance of the work in the affected area if in fact, a

hazardous condition, material or substance presents the risk of bodily injury or death and has not been rendered harmless, except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity. If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance by reason of performing the work described herein, the Owner shall indemnify the Contractor for all cost and expenses thereby incurred.

11. Insurance; Beneficiaries. The Contractor shall maintain appropriate commercial general liability insurance and statutory worker's compensation insurance and will provide certificates of insurance upon the request of the Owner. The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance and property insurance until the work is complete. This Contract has no third-party beneficiaries.

12. Consequential Damages. The Owner waives claims against the Contractor for consequential damages arising out of or relating to this Contract. This waiver includes damages incurred by Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons. This waiver is applicable to damages due to termination.

13. Entire Agreement; Modifications. This Contract, together with the information, plans, and specifications provided to the Contractor, constitute the entire agreement. Any previous agreements and understanding between the parties regarding the subject matter of this Contract, whether oral or in writing, are superseded by the Contract. Any amendments, modifications, or change orders must be in writing. Any change orders require the agreement of the Contractor and shall include appropriate modifications to the contract price to include the Contractor's cost of labor, material, equipment, and reasonable overhead and profit.

14. ANY CLAIMS FOR CONSTRUCTION DEFECTS ARE SUBJECT TO THE NOTICE AND CURE PROVISIONS OF CHAPTER 558, FLORIDA STATUTES. 15. ACCORDING TO FLORIDA'S CONSTRUCTION LIEN LAW (SECTIONS 713.001-713.37, FLORIDA STATUTES), THOSE WHO WORK ON YOUR PROPERTY OR PROVIDE MATERIALS AND SERVICES AND ARE NOT PAID IN FULL HAVE A RIGHT TO ENFORCE THEIR CLAIM FOR PAYMENT AGAINST YOUR PROPERTY. THIS CLAIM IS KNOWN AS A CONSTRUCTION LIEN. IF YOUR CONTRACTOR OR A SUBCONTRACTOR FAILS TO PAY SUBCONTRACTORS, SUB-SUBCONTRACTORS, OR MATERIAL SUPPLIERS, THOSE PEOPLE WHO ARE OWED MONEY MAY LOOK TO YOUR PROPERTY FOR PAYMENT, EVEN IF YOU HAVE ALREADY PAID YOUR CONTRACTOR IN FULL. IF YOU FAIL TO PAY YOUR CONTRACTOR, YOUR CONTRACTOR MAY ALSO HAVE A LIEN ON YOUR PROPERTY. THIS MEANS IF A LIEN IS FILED YOUR PROPERTY COULD BE SOLD AGAINST YOUR WILL TO PAY FOR LABOR, MATERIALS, OR OTHER SERVICES THAT YOUR CONTRACTOR OR A SUBCONTRACTOR MAY HAVE FAILED TO PAY. TO PROTECT YOURSELF, YOU SHOULD STIPULATE IN THIS CONTRACT THAT BEFORE ANY PAYMENT IS MADE, YOUR CONTRACTOR IS REQUIRED TO PROVIDE YOU WITH A WRITTEN RELEASE OF LIEN FROM ANY PERSON OR COMPANY THAT HAS PROVIDED TO YOU A "NOTICE TO OWNER." FLORIDA'S CONSTRUCTION LIEN LAW IS COMPLEX, AND IT IS RECOMMENDED THAT YOU CONSULT AN ATTORNEY

Approved By:____ Date:______________

Water & Wastewater Misc Construction/Maintenance Services
Labor/Equipment Rates Form

Customer: City of Zephyrhills **Project:** Manholes 4-23-25

LABOR RATES	RATES WORKING HOURS	RATES AFTER HOURS	ENTER # WORKING HOURS	SUBTOTAL # WORKING HOURS	ENTER # AFTER HOURS	SUBTOTAL # AFTER HOURS	LINE ITEM TOTAL
Supervisor	$ 50.00	$ 75.00	40	$ 2,000.00		$ -	$ 2,000.00
Foreman	$ 75.00	$ 113.00	70	$ 5,250.00		$ -	$ 5,250.00
Helper - Labor Only	$ 35.00	$ 53.00	70	$ 2,450.00		$ -	$ 2,450.00
Helper with Truck/Trailer	$ 50.00	$ 75.00	70	$ 3,500.00		$ -	$ 3,500.00
Backflow Technician	$ 40.00	$ 60.00		$ -		$ -	
						LABOR RATES TOTAL	$ 13,200.00

Please provide when after hours would apply (anytime outside of Mon - Fri 7am - 5pm)

EQUIPMENT RATES	SET UP FEE	HOURLY	# OF HOURS/ GALLONS or BAGS	DAILY	# OF DAYS	WEEKLY	# OF WEEKS	MONTHLY	# OF MONTHS	LINE ITEM TOTAL
Mini Excavator with Operator	$ 150.00	$ 80.00		$ 800.00		$ 2,400.00		$ 9,600.00		
Back Hoe with Operator	$ 250.00	$ 125.00		$ 1,250.00		$ 6,250.00		$ 25,000.00		
Vac Truck - 2 Man Crew	$ 250.00	$ 280.00		$ 2,800.00		$ 14,000.00		$ 56,000.00		
CCTV Camera Trailer with Operator	$ 250.00	$ 175.00		$ 1,750.00		$ 8,750.00		$ 35,000.00		
Tractor with Bucket with Operator	$ 250.00	$ 125.00		$ 1,250.00		$ 6,250.00		$ 25,000.00		
4" Sewage Bypass Pump with Hoses	$ 250.00	$ 40.00		$ 250.00		$ 650.00		$ 2,600.00		
Bypass Pump Fuel Additional	$ 4.50	Per Gallon								
13000 Watt Generator	$ 250.00	$ 40.00		$ 170.00		$ 850.00		$ 3,400.00		
Infiltrator MH Leak Stop Plus Labor	$ 150.00	$ 250.00		$ 150.00		$ 750.00		$ 3,000.00		
Metal Fabrication/Welding Lead Man	$ 150.00	$ 75.00		$ 750.00		$ 3,750.00		$ 15,000.00		
Metal Fabrication/Welder	$ 150.00	$ 65.00		$ 650.00		$ 3,250.00		$ 13,000.00		
Sand Blast Trailer Rig with Crew	$ 250.00	$ 295.00	60.00	$ 2,950.00		$ 14,750.00		$ 59,000.00		$ 17,950.00
Sand Blasting Sand	$ 5.00	Per Bag								
Compactor with Operator	$ 150.00	$ 100.00		$ 1,000.00		$ 5,000.00		$ 20,000.00		
Air Compressor Road Bore	$ 250.00	$ 125.00		$ 1,250.00		$ 6,250.00		$ 25,000.00		
									EQUIPMENT RATES TOTAL	$ 17,950.00

MATERIAL RATES	% Mark UP	COST	MARK-UP	LINE ITEM TOTAL
Materials Purchased for Specific Job	25%	13896	$ 3,474.00	$ 17,370.00
Materials from Stock	25%		$ -	
Subcontract Labor	20%		$ -	
			MATERIAL RATES TOTAL	$ 17,370.00

			SUBTOTAL	$ 48,520.00
PERFORMANCE & PAYMENT BOND	(Yes/No)	Yes	2%	$ 970.40
			GRAND TOTAL	$ 49,490.40

Company Name: RCM Utilities, LLC

Authorized Representative/ Title: Christopher R. Creech, Mgr.

Signature: Christopher R. Creech

Date: ________