



**CITY COUNCIL  
ZEPHYRHILLS, FLORIDA**

**Monday, June 8, 2026  
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  
City Hall**

**Council  
Chambers**

Call to Order — Council President Steven F. Spina, Ph.D.

Roll Call — City Clerk Ricardo Quiñones

Invocation — Jackie Boges, Senior Code Support Specialist

Pledge of Allegiance —

**CITIZEN COMMENTS**

**MAYOR**

- 1 Juneteenth Proclamation
  1. Juneteenth - 2026

**1. CONSENT ITEMS**

- 1.1 City Council Meeting Minutes - May 11, 2026
  1. 05.11.2026 CCM Minutes
- 1.2 Appointment of Board Members
  1. Appointment of Board Terms 2026

- 1.3 Utility Service Agreement **45-2026-05** for MARION SMITH (6823 20th Street)
  - 1. 45-2026-05 MARION SMITH
- 1.4 A.D. Morgan Task Order - Indoor Sports Facility **[37-25-09]**
  - 1. SVB Indoor Additional Wall Padding\_GMP Proposal (1)
- 1.5 Kimley Horn Change Order - Zephyr Park GeoTech Services **[37-24-07]**
  - 1. Zephyr Park - Geotechnical Engineering Services 5.08.26
- 1.6 Rep Services Change Order - Shepard Park Equipment **[41-25-19]**
  - 1. 22481.01-PROPOSAL

## 2. FINANCE DIRECTOR'S REPORT

- 2.1 Audit Report
  - 1. City of Zephyrhills FY2025 Audit Presentation
  - 2. Draft 6.4 City FY2025 \_For Board Packet
- 2.2 FEMA Appeal - Engage Baker Donelson
  - 1. Milton Recovery Summary
  - 2. Baker Donelson
  - 3. FEMA Determination Memo
  - 4. Milton Hercules Tree Damage

## 3. PUBLIC HEARING

- 3.1 **Advisory Board Term Alignment**  
 Second Reading Ordinance No. 1518-26 " **AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING SECTIONS, 30.035, 30.132, 30.162, 30.172, AND 30.180, OF THE CODE OF ORDINANCES TO ALIGN BOARD AND COMMISSION TERMS WITH CITY COUNCIL AND MAYORAL TERMS; INCREASING TERMS OF OFFICE FROM THREE (3) YEARS TO FOUR (4) YEARS FOR THE MUNICIPAL AIRPORT AUTHORITY, PLANNING COMMISSION, PARKS AND RECREATION ADVISORY BOARD, LIBRARY ADVISORY BOARD AND THE HISTORIC PRESERVATION BOARD TO ALIGN THE BOARD AND COMMISSION WITH THE CITY COUNCIL AND MAYORAL TERMS; PROVIDING FOR STAGGERED TERMS, TRANSITION, REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.** "

- A. Council President opens Public Hearing
- B. Council President closes Public Hearing
- C. City Council considers Ordinance No. 1518-26 on the Second Reading
  - 1. Ordinance 1518-26 Advisory Board Term Alignment (38956841v1)
  - 2. 06.08.2026 CCM ORD 1518-26 PROOF

## 4. BUSINESS ITEMS

- 4.1 A.D. Morgan Change Order - Civil Engineering for City Complex **[37-25-09]**
  - 1. Zephyrhills\_Fleet\_Maintenance\_Complex - PCCO 09 - Buyout Savings
  - 2. Zephyrhills\_Fleet\_Maintenance\_Complex - PCCO 10 - Civil Changes
  - 3. Narrative Letter\_2026\_0601
- 4.2 Stormwater Assessment

First Reading Ordinance No. 1522-26 " **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, PASCO COUNTY, FLORIDA, CREATING A STORMWATER UTILITY AND A CITYWIDE STORMWATER NON-AD VALOREM ASSESSMENT BY CREATING CHAPTER 57 OF THE CODE OF ORDINANCES; RELATING TO THE PROVISION OF STORMWATER MANAGEMENT SERVICES; DETERMINING THAT CERTAIN REAL PROPERTY WILL BE SPECIALLY BENEFITED; ESTABLISHING THE METHOD OF IMPOSING AND COLLECTING THE ASSESSMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

1. Ordinance 1522-26 Stormwater Assessment

4.3 Data Center Moratorium

First Reading Ordinance No. 1523-26 " **AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA ESTABLISHING A TEMPORARY MORATORIUM ON THE ACCEPTANCE, PROCESSING, REVIEW, APPROVAL, OR ISSUANCE OF BUILDING PERMITS, REZONINGS, SITE PLANS, CONDITIONAL USE APPROVALS, VARIANCES, COMPREHENSIVE PLAN AMENDMENTS, OR OTHER CITY APPROVALS FOR THE CONSTRUCTION, ESTABLISHMENT, EXPANSION, OR INTENSIFICATION OF DATA CENTERS, DATA CENTER FACILITIES, LARGE-SCALE DATA CENTERS, AND LARGE LOAD CUSTOMER FACILITIES WITHIN THE MUNICIPAL LIMITS OF CITY OF ZEPHYRHILLS; PROVIDING LEGISLATIVE FINDINGS OF FACT; PROVIDING DEFINITIONS; DIRECTING CITY STAFF TO REVIEW AND PREPARE LAND DEVELOPMENT CODE AND RELATED REGULATORY AMENDMENTS; PROVIDING FOR SEVERABILITY, REPEALER, AND AN EFFECTIVE DATE. "**

1. Ordinance 1523-26 Data Centers Moratorium (39722228v3)

2. Data Center - Business Impact Estimate

4.4 Food Truck Ordinance

First Reading Ordinance No. 1524-26 " **AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING THE CITY OF ZEPHYRHILLS CODE OF ORDINANCES, REPEALING AND REPLACING SECTION 121: MOBILE FOOD VENDING; AMENDING THE REGULATIONS OF MOBILE FOOD OPERATIONS; ESTABLISHING REGULATIONS FOR TEMPORARY OR AUXILIARY KITCHENS ASSOCIATED WITH BARS OR TAVERNS; PROVIDING FOR APPLICABILITY, REPEALER, SEVERABILITY, INCLUSION IN THE CODE, SCRIVENER'S ERROR AND AN EFFECTIVE DATE. "**

1. Ordinance 1524-26 Food Truck Ordinance (39748482v1)

4.5 Industrial Sign Ordinance

First Reading Ordinance 1525-26 " **AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA CREATING SECTION 8.17.00 OF THE LAND DEVELOPMENT CODE, LARGE-FORMAT INDUSTRIAL BUILDING SIGNAGE; PROVIDING FOR REPEALER, CODIFICATION, SEVERABILITY, AND AN EFFECTIVE DATE. "**

1. Ordinance 1525-26 - Industrial Sign Ordinance (39750792v1)

5. PLANNING DIRECTOR'S REPORT

5.1 Update on Hotspots

6. CITY MANAGER'S REPORT

6.1 Language Differential

1. RED BOOK NEW SECTION 29 - FOREIGN LANGUAGE PROFICIENCY INCENTIVE 2026.06.08\_UPDATED

6.2 Pasco County Parks Municipal Service Taxing Unit (MSTU) - Discussion

1. Zephyrhills - Potential City Ordinance Consenting to Parks MSTU
2. MSTUs Impact to Municipalities
3. County MSTU Updates
4. Pasco County Email

6.3 Residential Moratorium - Discussion

**MAYOR ANNOUNCEMENTS**

**CITY MANAGER ANNOUNCEMENTS**

**CITY ATTORNEY ANNOUNCEMENTS**

**CITY COUNCIL COMMENTS**

7. NOTED ITEMS

7.1 C.W. Roberts Deductive Change Order - Runway 1-19

1. C.W. Roberts Change Order No. 2

**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.**



## ***PROCLAMATION***

***WHEREAS***, on September 22, 1862, President Abraham Lincoln issued the Emancipation Proclamation notifying the states in rebellion against the Union that if they did not cease their rebellion and return to the Union by January 1, 1863, he would declare their slaves forever free. This proclamation was ignored by those states that seceded from the Union; and

***WHEREAS***, June 19, 1865, referred to as Juneteenth, is considered the date when the last slaves in America were freed; and

***WHEREAS***, emancipation in Florida was proclaimed in Tallahassee on May 20, 1865, and for this reason Floridians traditionally celebrate Emancipation Day on May 20; and

***WHEREAS***, Juneteenth is celebrated because it symbolizes the end of slavery. Juneteenth has become to symbolize for many African-Americans what the fourth of July symbolizes for all Americans – freedom. It serves as an historical milestone reminding America of the triumph of the human spirit over the cruelty of slavery, honoring those who survived the inhumane institution of bondage as well as demonstrating pride in the legacy of resistance and perseverance; and

***WHEREAS***, Juneteenth is now celebrated annually across the United States on the weekend nearest June 19th and is the oldest celebration of the end of slavery in the United States.

***NOW, THEREFORE, I***, Melonie Bahr Monson, by the virtue of the authority vested in me as Mayor of the City of Zephyrhills, Florida, do hereby proclaim **June 19, 2026 as Juneteenth Community Celebration Day** in the City of Zephyrhills, Florida and urge all citizens to become more aware of the significance of this celebration in African-American History and in the heritage of our nation and City.

***IN WITNESS WHEREOF***, I hereunto set my hand and caused the seal of the City of Zephyrhills, Florida to be affixed this 8th day of June, 2026.

**CITY OF ZEPHYRHILLS, FLORIDA**

\_\_\_\_\_  
Melonie Bahr Monson, Mayor

Attest: \_\_\_\_\_  
Ricardo Quiñones, City Clerk

## **CONSENT ITEMS 1.1**

City Council Meeting Minutes - May 11, 2026

**Issue:**

A regular City Council Meeting was held on May 11, 2026

**Background:**

Minutes from that meeting were taken for review by City Council

**Attachment(s):**

1. 05.11.2026 CCM Minutes

**Fiscal Impact:**

N/A

**Staff Recommendation:**

Staff recommends approval of meeting minutes

## REGULAR CITY COUNCIL MEETING

Page 1 of 4

A Regular City Council Meeting was held on May 11, 2026 at 6:00 PM in the Council Chambers of City Hall and Via GoToMeeting (646) 749-3122 - Access Code: 855-960-693. Council President Steven F. Spina Ph.D. called the meeting to order at 6: 10 PM

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

Staff present: Public Works Director Shane LeBlanc, Building Official Calvin Switzer, Airport Manager Nathan Coleman, IT Director Mike Panak, Human Resources & Risk Management Director Sandra Amerson, Planning Director Rodney Corriveau, Historic Preservation Specialist Will McCaw, Finance Director Ted Beason, Public Information Officer Kevin Weiss, Lieutenant Nathan Gardner and Assistant City Clerk Eileen Mercado.  
The Invocation was led by Planning Director Rodney Corriveau.  
The Pledge of Allegiance followed.

### **CITIZEN COMMENTS**

Kimber Rhondes Ramos - 6461 Brentwood Drive, spoke from the floor regarding the Silverado Golf Course property and ongoing maintenance concerns. City Manager Poe shared this is an item on the agenda and will be addressed.

Mary Hamel - 6516 Brentwood Drive, spoke from the floor regarding neighborhood concerns associated with the Silverado Golf Course property and the need for continued code enforcement efforts.

### **MAYOR**

#### 1. Proclamation -National Public Works Week

City Manager Poe presented a proclamation recognizing National Public Works Week and thanked Public Works employees for their continued service to the community.

#### 2. Proclamation - Andrew Bray

City Manager Poe presented a proclamation recognizing Andrew Bray for winning the 2026 FHSAA Class 2A State Wrestling Championship and commended him for representing Zephyrhills High School and the City of Zephyrhills with pride and sportsmanship.

### **1. CONSENT ITEMS**

1.1 City Council Meeting Minutes - April 27, 2026

1.2 16-2026-02 Easement Agreement SWFWMD for Parcel ID: 02-26-21-0080-00Aoo-0123

1.3 41-2026-10 Foshee Construction Agreement for Train Depot Parking Lot

***Lance Smith motioned to approve the Consent Items as presented. Seconded by Kenneth Burgess. Motion passed unanimously.***

### **2. FINANCE DIRECTOR'S REPORT**

#### 2.1 Convenience Fee Update

City Manager Poe presented an update regarding proposed convenience fee structures associated with Tyler Technologies utility billing payment processing. Staff explained that utility customers utilizing credit card payments would be charged either a minimum fee or a percentage-based fee, whichever is greater. At the last meeting, it was stated to be a minimum fee of \$2.50 or 3%. Mr. Poe corrected that the fee structure is \$2.50 minimum or 3.65%, whichever is greater. Staff also recommend applying similar processing fee structures to airport hangar payments and retiree health insurance payments. Staff explained the transition is anticipated to reduce utility billing department credit card processing expenditures by approximately \$150,000 annually.

***Kenneth Burgess motioned to approve the proposed convenience fee structure. Seconded by Lance Smith. Motion passed unanimously.***

### **3. PUBLIC WORKS DIRECTOR'S REPORT**

#### 3.1 Raftelis - Stormwater Assessment Fee Update

Public Works Director Shane LeBlanc introduced Raftelis consultant Christina Conchilla. Ms. Conchilla presented preliminary information regarding the City's stormwater assessment fee study. Discussion included existing stormwater infrastructure needs, funding requirements, system maintenance responsibilities, and future planning considerations related to stormwater operations and capital improvements. Council discussed the methodology being evaluated for future stormwater assessments and reviewed preliminary information associated with potential rate structures.

**4. BUSINESS ITEMS**

4.1 Advisory Board Term Alignment

First Reading Ordinance No. 1518-26 " **AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING SECTIONS, 30.035, 30.132, 30.162, 30.172, AND 30.180, OF THE CODE OF ORDINANCES TO ALIGN BOARD AND COMMISSION TERMS WITH CITY COUNCIL AND MAYORAL TERMS; INCREASING TERMS OF OFFICE FROM THREE (3) YEARS TO FOUR (4) YEARS FOR THE MUNICIPAL AIRPORT AUTHORITY, PLANNING COMMISSION, PARKS AND RECREATION ADVISORY BOARD, LIBRARY ADVISORY BOARD AND THE HISTORIC PRESERVATION BOARD TO ALIGN THE BOARD AND COMMISSION WITH THE CITY COUNCIL AND MAYORAL TERMS; PROVIDING FOR STAGGERED TERMS, TRANSITION, REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.**

City Attorney Matthew Maggard read Ordinance No. 1518-26 by title.

The ordinance proposed aligning advisory board and commission terms with City Council and Mayoral terms by increasing terms from three years to four years for several City Boards and Commissions providing for staggered transition terms.

***Jodi Wilkeson motioned to approve Ordinance No. 1518-26 on first reading. Seconded by Lance Smith. Motion passed unanimously.***

**5. CITY MANAGER'S REPORT**

5.1 Special Event Alcohol Approval -Commandoughs Memorial Day Event. The applicant will be proposing to use 15th Ave (City Street) between Gall Blvd and 6th Street as a wetzone.

City Manager Poe presented a request for approval of a Memorial Day special event alcohol permit associated with Commandoughs and Vets Feeding Vets. The request included use of a temporary wet zone along 15th Avenue between 6th Street and Gall Boulevard. Staff explained that Zephyrhills Police Department officers would be present during the event and that similar events had previously occurred without issue.

***Kenneth Burgess motioned to approve the Special Event Alcohol Approval request for the Commandoughs Memorial Day Event. Seconded by Lance Smith. Motion passed unanimously.***

\*\*\*\*Council discussed adjusting the order of Business Items 5.2 and 5.3 to accommodate attendees present for the Silverado Golf Course discussion. \*\*\*\*

***Jodi Wilkeson motioned to switch agenda items 5.2 and 5.3. Seconded by Lance Smith. Motion passed unanimously.***

5.3 Silver Oaks Golf Course Update

City Manager Poe provided an update regarding ongoing enforcement efforts associated with the Silverado Golf Course property. Staff advised that City representatives met with the Assistant County Attorney to discuss tree debris and related property maintenance concerns. An affidavit to show cause had been submitted to the court for review. Staff explained that the court would determine whether sufficient evidence exists to proceed with enforcement action and potentially schedule a hearing in June or July. Staff further advised that a separate notice had been issued providing the property owner with ten days to secure buildings, maintain grass, and address unsafe standing trees. If violations were not corrected within the specified timeframe, additional citations and enforcement actions would proceed through the court process.

Council discussed the pace of maintenance activities occurring on the property and emphasized the need for continued comprehensive mowing and cleanup efforts throughout the entire site. Citizen comments were subsequently received regarding the property conditions and ongoing neighborhood concerns.

5.2 Skydive City Update

City Manager Poe provided an update regarding ongoing discussions with Skydive City and efforts to resolve Federal Aviation Administration (FAA) concerns related to the airport RV park. Mr. Poe explained that FAA funding for the Zephyrhills Municipal Airport remains suspended due to the presence of the RV park, resulting in the loss of approximately \$350,000 annually in entitlement funding as well as eligibility for additional discretionary grant opportunities. Staff recently met with representatives of Skydive City to discuss a potential corrective action plan that could restore FAA funding while providing a path forward for airport operations. Mr. Poe reported that Skydive City had agreed to several proposed lease modifications, including payment of

nonaeronautical lease rates for the RV park, equipment vendor, and restaurant operations, removal of inactive business uses from the lease, and separation of aeronautical and non-aeronautical lease provisions. Staff also discussed future consideration of a performance-based compensation structure tied to airport operations. The primary focus of discussions remained the eventual removal of the RV park, which FAA officials have determined is an incompatible use on airport property. Mr. Poe advised that Skydive City had expressed a willingness to close and remove the RV park by October 2030, consistent with the Airport Layout Plan, while requesting the City's assistance in identifying potential alternative accommodation for visitors associated with airport activities. Staff recommended pursuing a corrective action plan with the FAA that would establish the 2030 removal date and potentially allow restoration of airport grant funding while preserving the remainder of the existing lease term.

Airport Manager Nathan Coleman reviewed the airport's history with FAA grant assurances and explained that airport planning documents have contemplated removal of the RV park since 2014. Mr. Coleman noted that restoring compliance with FAA requirements is important to protect future airport funding opportunities and support long-term airport development initiatives. He further explained that future policy decisions will require Council to determine the desired balance between recreational aviation activities and business-oriented general aviation growth at the airport.

Rich Muscolino of Skydive City addressed Council and emphasized the new owner's commitment to working collaboratively with the City. He stated that substantial investments had already been made to improve the property and expressed a willingness to explore alternative lodging concepts and operational changes that could support both airport compliance and Skydive City's long-term viability. Representatives also indicated support for continued discussions regarding future airport planning and potential business models that would provide greater benefit to the City and Airport.

Council discussed the economic impact of Skydive City, the importance of restoring FAA funding eligibility, and the need to begin long-term planning efforts well before the 2030 deadline. Council generally supported continued negotiations with Skydive City and directed staff to continue pursuing a corrective action plan with the FAA while maintaining open communication with airport stakeholders. Council members acknowledged the cooperative approach demonstrated by the current ownership group and expressed a desire to identify solutions that support both airport growth and recreational aviation activities.

**MAYOR ANNOUNCEMENTS** - None due to the Mayor's absence

**CITY MANAGER ANNOUNCEMENTS**

City Manager Poe announced that Council members had been invited to attend the Zephyrhills Little League closing ceremonies and thanked participants associated with the program sponsorship efforts. City Manager Poe also asked the community to keep Mayor Monson and her family in their thoughts and prayers due to ongoing family matters.

**CITY ATTORNEY ANNOUNCEMENTS**

City Attorney Matthew Maggard clarified for the record that he does not represent the Silverado Golf Course property owner. He explained that due to a prior legal conflict identified through his law firm, he is unable to represent either the City or the property owner regarding the matter. He further advised that alternate conflict counsel could be retained if necessary for future proceedings.

**CITY COUNCIL COMMENTS**

Jodi Wilkeson provided an update on ongoing efforts to resolve outstanding issues within the Abbott Station development and emphasized the importance of protecting residents' interests while ensuring Lennar fulfills its obligations. She noted that only a handful of issues remain under review, including stormwater system performance, drainage infrastructure, retaining wall and buffer requirements, and the location of a stormwater inlet. Wilkeson stated that the City's consultant, Kimley-Horn, is reviewing the plans and that the City should carefully evaluate any disputed items from the perspective of protecting homeowners, the HOA, and the CDD. Wilkeson also discussed concerns raised regarding the irrigation system, including questions about whether installation and design practices complied with accepted standards. She noted reports of irrigation deficiencies and tree loss within the community and stressed the importance of resolving all remaining issues before the development is fully closed out. She concluded by stating that the City owes it to the approximately 600 families living in Abbott Station to see the matter through and thanked Planning

**REGULAR CITY COUNCIL MEETING**

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Director Rodney Corriveau for continuing to lead the effort. Wilkeson also congratulated Public Works on the groundbreaking ceremony of the new City Yard Maintenance Complex.

Kenneth Burgess thanked Rich for his input in the Skydive City discussion and welcomed him to Zephyrhills.

Lance Smith - None

Steven Spina requested an update on the status of the 6th Avenue project and was advised that the roadway had reopened, although some detour signage remained in place. He also suggested that Council Members provide brief updates during Council comments regarding the boards, committees, and organizations to which they are assigned as liaisons, allowing the Council and public to remain informed of ongoing activities and initiatives. Dr. Spina further reported on his participation, along with City staff, in a two-day community planning workshop at the University of Florida focused on urban forestry, landscaping, architecture, and community design. He explained that representatives from several communities met with university faculty, state agencies, and other experts to discuss grant opportunities and long-term planning strategies. Spina noted that the City presented its tree planting initiative and indicated that staff would provide a future update on ideas and recommendations generated through the workshop.

The meeting adjourned at 8:18 PM

Submitted by Ricardo Quiñones (not present)

## **CONSENT ITEMS 1.2**

### Appointment of Board Members

**Issue:**

City Council is requested to consider reappointments to various City advisory boards with terms expiring June 30, 2026.

**Background:**

All board members' terms are staggered with three-year terms. Per the City's Charter, Council shall fill by appointment all offices except those required to be filled by election of the voters.

All members with terms expiring on June 30, 2026 have been contacted and have chosen to continue through a new term except for Thomas Vanater and Norman Scheurman.

**Attachment(s):**

1. Appointment of Board Terms 2026

**Fiscal Impact:**

N/A

**Staff Recommendation:**

Staff recommends that City Council review the attached board roster and approve the proposed appointments and reappointments for terms beginning July 1, 2026.

Board	Term(yrs)	Name	Starting Date	Address	Phone Number	Email	Term Expires	Seat	Column1
BOARD OF ADJUSTMENT, CODE ENFORCEMENT, AND APPEALS	3	Gary Hatrick	Aug-01	5510 12th Street	813-312-7119	<a href="mailto:highroadzhills@aol.com">highroadzhills@aol.com</a>	30-Jun-27	3	
BOARD OF ADJUSTMENT, CODE ENFORCEMENT, AND APPEALS	3	Bob Dodd	Sep-06	5307 20th Street	813-368-8066	<a href="mailto:b.dodd@highlandhomes.org">b.dodd@highlandhomes.org</a>	30-Jun-26	2	
BOARD OF ADJUSTMENT, CODE ENFORCEMENT, AND APPEALS	3	David Armstrong	Jan-07	7251 16th Street	813-782-0245	<a href="mailto:darmstr312@gmail.com">darmstr312@gmail.com</a>	30-Jun-28	4	
BOARD OF ADJUSTMENT, CODE ENFORCEMENT, AND APPEALS	3	<b>OPEN/VACANT</b>					30-Jun-28	1	
BOARD OF ADJUSTMENT, CODE ENFORCEMENT, AND APPEALS	3	<b>OPEN/VACANT</b>					30-Jun-27	5	
PLANNING COMMISSION	3	Christa Remington	Jun-22	5706 Wedgefield Dr.	863-243-1579	<a href="mailto:ctremington@yahoo.com">ctremington@yahoo.com</a>	30-Jun-26	2	
PLANNING COMMISSION	3	Thomas Vanater	Jun-22	6151 Silver Oaks Dr.	813-300-7120	<a href="mailto:vanatert@aol.com">vanatert@aol.com</a>	30-Jun-26	4	
PLANNING COMMISSION	3	Mayor Bahr Monson	Jun-13	5920 Newberry Court	813-469-4540	<a href="mailto:mmonson@ci.zephyrhills.fl.us">mmonson@ci.zephyrhills.fl.us</a>	30-Jun-26	Mayor (7)	
PLANNING COMMISSION	3	Beth Aker	Mar-15	9744 U.S. 301 – DC	937-489-1677	<a href="mailto:baker36@tampabay.rr.com">baker36@tampabay.rr.com</a>	30-Jun-28	3	
PLANNING COMMISSION	3	Randy Stovall	Jun-22	38314 Centennial Rd.	813-312-3585	<a href="mailto:rstov22@verizon.net">rstov22@verizon.net</a>	30-Jun-27	5	
PLANNING COMMISSION	3	Tracy Sullivan	Mar-05	37140 Foxrun Place	813-679-6200	<a href="mailto:sallyd2@msn.com">sallyd2@msn.com</a>	30-Jun-28	1	
PLANNING COMMISSION	3	David Armstrong	Jul-01	7251 16th Street	813-782-0245	<a href="mailto:darmstr312@gmail.com">darmstr312@gmail.com</a>	30-Jun-28	6	
PLANNING COMMISSION	3	Ellen Taylor	Jan-23	6051 10th Street	813-723-9661	<a href="mailto:ellentaylor4445@gmail.com">ellentaylor4445@gmail.com</a>	30-Jun-28	A/L(1)	
PLANNING COMMISSION	3	Clyde Bracknell	Jul-24	7148 Valor Street	813-591-9416	<a href="mailto:clyde7148@yahoo.com">clyde7148@yahoo.com</a>	30-Jun-27	A/L(2)	
AIRPORT AUTHORITY	3	Thomas Michael Ward	Feb-25	11411 Grandview Drive, Dade City 33525	813-783-4509	<a href="mailto:mykward57@gmail.com">mykward57@gmail.com</a>	30-Jun-28	1	
AIRPORT AUTHORITY	3	William T. Castle	Feb-12	6711 Pistachio Street	570-772-3717	<a href="mailto:Billcastle38@outlook.com">Billcastle38@outlook.com</a>	30-Jun-26	2	
AIRPORT AUTHORITY	3	Matthew Laseter	Jun-21	6500 Brentwood	813-370-6970	<a href="mailto:mlaseter@me.com">mlaseter@me.com</a>	30-Jun-27	3	
AIRPORT AUTHORITY	3	Erik Meredith	Aug-21	5219 Braddock Drive	813-469-4669	<a href="mailto:Erik.Meredith@yahoo.com">Erik.Meredith@yahoo.com</a>	30-Jun-28	4	
AIRPORT AUTHORITY	3	Robert Page	Feb-24	6610 Cobble Bliss St.	813-803-0710	<a href="mailto:rgpagejr@outlook.com">rgpagejr@outlook.com</a>	30-Jun-27	5	
AIRPORT AUTHORITY	3	Erwin Buzz Hohman	Aug-14	4325 Honey Vista Cr. Tampa, FL	813-205-0180	<a href="mailto:vgi@verizon.net">vgi@verizon.net</a>	30-Jun-26	6	
AIRPORT AUTHORITY	3	David Inman	Jul-22	14001 Natures Reserve Dr. Lithia, FL 33547	813-205-0180	<a href="mailto:dinman79@gmail.com">dinman79@gmail.com</a>	30-Jun-26	Mayor (7)	
LIBRARY BOARD	3	Jerald Pricher	Dec-97	5138 20th Street	813-788-2547	<a href="mailto:jerry.h.pricher.net">jerry.h.pricher.net</a>	30-Jun-26		
LIBRARY BOARD	3	Joseph Pless	May-23	38832 South Avenue	352-206-8491	<a href="mailto:joseph.h.pless@gmail.com">joseph.h.pless@gmail.com</a>	30-Jun-27		
LIBRARY BOARD	3	Anjalie Bedi	Jul-15	10743 Corey Lake Dr.	813-782-0858	<a href="mailto:Anjali.bedi1952@gmail.com">Anjali.bedi1952@gmail.com</a>	30-Jun-27		
LIBRARY BOARD	3	Isabelle Mandanici		38138 Overbrook Blvd.	813-285-6033	<a href="mailto:Bellemary1941@gmail.com">Bellemary1941@gmail.com</a>	30-Jun-28		
LIBRARY BOARD	3	Joan Switzer	Apr-26	6050 Utopia Dr, Zephyrhills, FL 33540	607-651-6976	<a href="mailto:e3joane8@hotmail.com">e3joane8@hotmail.com</a>	30-Jun-28		
HISTORIC PRESERVATION BOARD	3	Shailla Velazquez Thomas	Jun-24	5436 10th Street	813-516-6889	<a href="mailto:Theshailavelazquez@gmail.com">Theshailavelazquez@gmail.com</a>	30-Jun-27	2	3
HISTORIC PRESERVATION BOARD	3	Erica Freeman		37519 8th Avenue	813-843-2517	<a href="mailto:ericadawn16@yahoo.com">ericadawn16@yahoo.com</a>	30-Jun-27	5	5
HISTORIC PRESERVATION BOARD	3	Tracy Sullivan	Mar-05	37140 Fox Run Place	813-679-6200	<a href="mailto:sallyd2@msn.com">sallyd2@msn.com</a>	30-Jun-27	1	1
HISTORIC PRESERVATION BOARD	3	Martin Harm	Feb-26	5239 10th Street	813-784-0844	<a href="mailto:MHarmPi@gmail.com">MHarmPi@gmail.com</a>	30-Jun-28	4	4
HISTORIC PRESERVATION BOARD	3	Tony Kerns	Jun-21	11927 Pasco Trails Blvd.	813-294-5158	<a href="mailto:tony@kfc-inc.com">tony@kfc-inc.com</a>	30-Jun-26	3	2
HISTORIC PRESERVATION BOARD	3	Rick Hillman	Feb-26	39142 Sabal Avenue	352-691-9738	<a href="mailto:hmajor51@yahoo.com">hmajor51@yahoo.com</a>	30-Jun-27	A/L(1)	
HISTORIC PRESERVATION BOARD	3	Nancy Sung Shelton	Feb-26	4828 8th Street	813-406-2399	<a href="mailto:nancysungshelton.citizen@gmail.com">nancysungshelton.citizen@gmail.com</a>	30-Jun-27	A/L(2)	
PARKS AND RECREATION BOARD	3	Norman Scheuerman	Jun-21	3706 Geiger Road	813-748-7948	<a href="mailto:Mocs1998@gmail.com">Mocs1998@gmail.com</a>	30-Jun-26		
PARKS AND RECREATION BOARD	3	Katee Bolt	Apr-26	6845 Oakcrest Way	813-713-4870	<a href="mailto:katee.bolt@gmail.com">katee.bolt@gmail.com</a>	30-Jun-26		
PARKS AND RECREATION BOARD	3	Nicole Hamilton	Jun-13	36175 Jenny Lynne Cr.	813-240-2973	<a href="mailto:watermistress@sbcglobal.net">watermistress@sbcglobal.net</a>	30-Jun-27		
PARKS AND RECREATION BOARD	3	Dave Walters	Jun-13	8402 Angela Court	813-862-5040	<a href="mailto:davewalters12@msn.com">davewalters12@msn.com</a>	30-Jun-27		
PARKS AND RECREATION BOARD	3	Gary Hatrick	Jul-13	5510 12th Street	813-312-7119	<a href="mailto:highroadzhills@aol.com">highroadzhills@aol.com</a>	30-Jun-27		
PARKS AND RECREATION BOARD	3	Kimberly Miller	Jul-23	5906 Beech Street	813-956-5862	<a href="mailto:mm69488@gmail.com">mm69488@gmail.com</a>	30-Jun-28		
PARKS AND RECREATION BOARD	3	Tracy Mahon	May-16	P.O. Box 1377	386-433-6050	<a href="mailto:tmahon@fnbpasco.com">tmahon@fnbpasco.com</a>	30-Jun-28		
CITY COUNCIL	4	Jodi Wilkeson	Apr-24	5816 18th Street	813-997-7194	<a href="mailto:jwilkeson@ci.zephyrhills.fl.us">jwilkeson@ci.zephyrhills.fl.us</a>	10-Apr-28	3	
CITY COUNCIL	4	Charlie Proctor	Apr-24	5529 8th Street	813-780-1858	<a href="mailto:cproctor@ci.zephyrhills.fl.us">cproctor@ci.zephyrhills.fl.us</a>	10-Apr-28	5	
CITY COUNCIL	4	Lance Smith	Apr-25	6426 Huntington Drive	813-997-3981	<a href="mailto:ismith@ci.zephyrhills.fl.us">ismith@ci.zephyrhills.fl.us</a>	9-Apr-29	1	
CITY COUNCIL	4	Kenneth M. Burgess Jr.	Apr-25	6725 Northlake Drive	813-997-5314	<a href="mailto:kburgess@ci.zephyrhills.fl.us">kburgess@ci.zephyrhills.fl.us</a>	9-Apr-29	4	
CITY COUNCIL	4	Melonie Bahr Monson	Apr-23	5920 Newberry Court	813-469-4540	<a href="mailto:mmonson@ci.zephyrhills.fl.us">mmonson@ci.zephyrhills.fl.us</a>	12-Apr-27	Mayor	
CITY COUNCIL	4	Steven F. Spina	Apr-23	6340 Huntington Drive	813-714-6292	<a href="mailto:sspina@ci.zephyrhills.fl.us">sspina@ci.zephyrhills.fl.us</a>	12-Apr-27	2	

Effective April 11, 2023 Council Terms increased from three (3) to four (4) years via Proposition Two and Mayor Terms increased from three (3) to four (4) years via Proposition Three.

## **CONSENT ITEMS 1.3**

Utility Service Agreement **45-2026-05** for MARION SMITH (6823 20th Street)

### **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. The property is located North of County Road 54 off 20th Street, between Butterfield Lane and New Dennison Lane.

### **Attachment(s):**

1. 45-2026-05 MARION SMITH

### **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 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 12TH day of MAY, 2026, between  
MARION SMITH 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: 6823 20TH Street Zephyrhills, FL 33542

Parcel Identification Number: 02 26 21 0010 01700 0060

Legal Description: ZEPHYRHILLS COLONY COMPANY LANDS PB 1 PG 55 EAST 110.00  
FT OF SOUTH 132.00 FT OF NORTH 207.00 FT OF TRACT 17

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. Notwithstanding 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  
Charlie Proctor, President of City Council, Melanie Bahr Monson,  
Mayor and Ricardo Quinones, 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

Wendy Holmes  
Witness Signature

Wendy Holmes  
Witness Printed Name

Witness Signature

Witness Printer Name

Witness Signature

Witness 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 \_\_\_\_\_  
Marion Adrienne Smith 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 12<sup>th</sup> day of May, 2026.

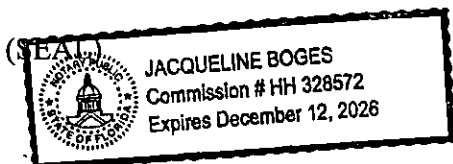
Marion A. Smith  
Applicant Signature  
MARION A. SMITH  
Applicant Printed Name

Applicant Signature

Applicant Printed Name

Jacqueline Boges  
NOTARY PUBLIC

My Commission Expires: 12-12-2026



## **CONSENT ITEMS 1.4**

A.D. Morgan Task Order - Indoor Sports Facility [37-25-09]

**Issue:**

Additional wall padding is required to protect participants and preserve the interior walls.

**Background:**

Additional wall padding is required for the safety of the participants using the facility.

**Attachment(s):**

1. SVB Indoor Additional Wall Padding\_GMP Proposal (1)

**Fiscal Impact:**

Using surplus Penny for Pasco funds from the FY26 Depot Parking Lot Improvement project.  
Amount Budgeted \$375,000, Actual Cost \$271,144.97, Surplus Amount \$103,855.03  
GMP shall not exceed \$77,734

**Staff Recommendation:**

The Public Works Director and City Manager recommend approval as presented.



**A.D. MORGAN**

General Contractors  
Construction Managers

**WE DO MORE**

**TAMPA**

Corporate Headquarters  
716 N. Renellie Drive  
Tampa, Florida 33609  
PH: 813 • 832 • 3033  
FAX: 813 • 831 • 9860

**BRADENTON**

2411-B Manatee Ave W.  
Bradenton, Florida 34205  
PH: 941 • 747 • 3001  
FAX: 941 • 747 • 3015

**LAKELAND**

1953 E. Edgewood Drive  
Lakeland, Florida 33803  
PH: 863 • 450 • 4840  
FAX: 863 • 450 • 4697

License # CGC044502  
www.admorgan.com

May 19<sup>th</sup> 2026

Shane LeBlanc  
Public Works Director  
City of Zephyrhills  
5335 8<sup>TH</sup> Street, Zephyrhills, FL

RE: Mouratoglou Indoor Tennis Facility – Additional Impact Sports Wall Padding Throughout

Dear Shane:

On behalf of The A.D. Morgan Corporation, we are pleased to have the opportunity to present you with our Guaranteed Maximum Price for the addition of one-hundred and forty 2'x8'x2" bonded foam wall pads throughout the Mouratoglou Indoor Tennis Facility in the amount of seventy-seven thousand four-hundred and fifty-four dollars and zero cents (\$77,454.00).

Attached are the following documents:

1. Cover Letter and Clarifications
2. GMP Executive Cost Summary
3. GMP Cost Detail
4. General Conditions Breakdown

A.D. Morgan has the following clarifications, assumptions, and exclusions:

**1. Division 01 – General Conditions and General Requirement**

**a. General Conditions**

- i. A.D. Morgan assumes sufficient parking will be available on the jobsite for the project staff, workers, and a laydown area for material.
- ii. Temporary Power and Water are by the owner.

**b. Schedule**

- i. This proposal is based upon a construction schedule of 14 calendar days from Notice to Proceed (NTP) to Substantial Completion. The construction NTP shall not be issued by the owner until the following has been provided:
  1. All permits have been issued (i.e., building permits, etc.).
  2. Construction Agreement has been executed.
  3. Construction Agreement has received Board Approval.
- ii. Work hours will be from 7:00 am to 5:00 pm Monday through Friday.

**c. Allowances and Contingencies**

1. None

**d. Current Market Conditions**

- i. A.D. Morgan strongly recommends that all stakeholders work closely together to identify long lead items and pre-order as much of the material ahead of time to mitigate cost escalation and schedule delays due to material availability.

**e. Exclusions and Assumptions**

- i. Price is good for 30 days.
- ii. Architect and Engineering Design Fees are not included.
- iii. Impact Fees are not included.
- iv. Utility Fees are not included.
- v. Performance & Payment Bond Not Included.

2. **Division 02 – Existing Conditions and Demolition**
  - a. NA
3. **Division 03 – Concrete**
  - a. NA
4. **Division 04 – Masonry**
  - a. NA
5. **Division 05 – Metals**
  - a. NA
6. **Division 06 – Woods and Plastics**
  - a. NA
7. **Division 07 – Thermal & Moisture**
  - a. NA
8. **Division 08 – Openings**
  - a. NA
9. **Division 09 – Finishes**
  - a. NA
10. **Division 10 – Specialties**
  - a. NA
11. **Division 11 – Equipment**
  - a. Wall Padding
12. **Division 12 – Furnishings**
  - a. NA
13. **Division 13 – Special Construction**
  - a. NA
14. **Division 14 – Conveying Systems**
  - a. NA
15. **Division 21 – Fire Protection**
  - a. NA
16. **Division 22 – Plumbing**
  - a. NA
17. **Division 23 – HVAC**
  - a. NA
18. **Division 26, 27, and 28 – Electrical and Technology**
  - a. NA
19. **Division 31, 32, and 33 – Sitework and Fencing**
  - a. NA

On behalf of the A.D. Morgan Corporation, I would like to express our sincere appreciation for presenting us with the opportunity to become part of your project. If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,  
The A.D. Morgan Corporation

*Matt D'Amaddio*

Vice President of Preconstruction  
C: 813.495.8143  
E: [Mdamaddio@admorgan.com](mailto:Mdamaddio@admorgan.com)

**Mouratoglou Indoor Wall Padding**  
**Zephyrhills, FL**  
**GMP Submittal**  
**Executive Summary**  
**May 19, 2026**



Division	Description	Cost
Division 01	General Requirements	248
Division 02	Existing Conditions	N.A.
Division 03	Concrete	N.A.
Division 04	Masonry	N.A.
Division 05	Metals	N.A.
Division 06	Woods & Plastics	N.A.
Division 07	Thermal & Moisture	N.A.
Division 08	Doors and Openings	N.A.
Division 09	Finishes	N.A.
Division 10	Specialties	N.A.
Division 11	Equipment	69,524
Division 12	Furnishings	N.A.
Division 13	Special Construction	N.A.
Division 14	Conveying Systems	N.A.
Division 21	Fire Protection	N.A.
Division 22	Plumbing	N.A.
Division 23	HVAC	N.A.
Division 26,27,28	Electrical	N.A.
Division 31,32,33	Exterior Improvements	N.A.
	<b>Subtotal</b>	<b>69,772</b>
0.00%	Permitting / Impact Fees	0
	General Conditions - Material	In Div 1
	General Conditions - Labor	0
	Liability Insurance	593
	Builder's Risk Insurance	47
	CM Bonding	0
	<b>Subtotal</b>	<b>70,413</b>
0.00%	Contingency - Owner	0
0.00%	Contingency - ADM	0
	<b>Subtotal</b>	<b>70,413</b>
10.00%	Overhead & Profit	7,041
	<b>Total</b>	<b>77,454</b>

1 Mouratoglou Indoor Wall Padding  
 2 Zephyrhills, FL  
 3 GMP Submittal  
 4 Estimate Detail  
 5 May 19, 2026



Line	Description	Quantity	Unit	Unit Price	Total Cost	Comments
	<b>DIVISION 01 - GENERAL REQUIREMENTS</b>				\$248	
	General Conditions - Material - Phase 2	1	LS	\$248	\$248	
	<b>DIVISION 02 - EXISTING CONDITIONS</b>				N.A.	
	<b>DIVISION 03 - CONCRETE</b>				N.A.	
	<b>DIVISION 04 - MASONRY</b>				N.A.	
	<b>DIVISION 05 - METALS</b>				N.A.	
	<b>DIVISION 06 - WOODS AND PLASTICS</b>				N.A.	
	<b>DIVISION 07 - THERMAL &amp; MOISTURE</b>				N.A.	
	<b>DIVISION 08 - OPENINGS</b>				N.A.	
	<b>DIVISION 09 - FINISHES</b>				N.A.	
	<b>DIVISION 10 - SPECIALITES</b>				N.A.	
	<b>DIVISION 11 - EQUIPMENT</b>				\$69,524	
	<b>11A - Athletic Equipment</b>					
	Wall Padding	1	LS	\$69,524	\$69,524	Includes 4% Bond
	<b>DIVISION 12 - FURNISHINGS</b>				N.A.	
	<b>DIVISION 13 - SPECIAL CONDITIONS</b>				N.A.	
	<b>DIVISION 14 - CONVEYING SYSTEMS</b>				N.A.	
	<b>DIVISION 21 - FIRE PROTECTION</b>				N.A.	
	<b>DIVISION 22 - PLUMBING</b>				N.A.	
	<b>DIVISION 23 - HVAC</b>				N.A.	
	0% <b>DIVISION 26, 27, &amp; 28 ELECTRICAL</b>				N.A.	
	<b>DIVISION 31, 32, &amp; 33 SITEWORK</b>				N.A.	
	<b>SUBTOTALS</b>			<b>Check</b>	<b>\$69,772</b>	

1 Mouratoglou Indoor Wall Padding  
 2 Zephyrhills, FL  
 3 GMP Submittal  
 4 Estimate Detail  
 5 May 19, 2026



6							Comments
7	Line	Description	Quantity	Unit	Unit Price	Total Cost	
33	0.00%	Permitting / Impact Fees				\$0	
34		General Conditions - Material				In Div 1	
35		General Conditions - Labor				\$0	
36		Liability Insurance				\$593	
37		Builder's Risk Insurance				\$47	
38		CM Bonding				\$0	
39		<b>Subtotal</b>				<b>\$70,413</b>	
40	0.00%	Contingency - Owner				\$0	
41	0.00%	Contingency - ADM				\$0	
42		<b>Subtotal</b>				<b>\$70,413</b>	
43	10.00%	Overhead & Profit				\$7,041	
44		<b>Total</b>				<b>\$77,454</b>	

## **CONSENT ITEMS 1.5**

Kimley Horn Change Order - Zephyr Park GeoTech Services [37-24-07]

### **Issue:**

Geotechnical engineering study to obtain information on the subsurface soil conditions scope of service \$27,500.

Scope of Service provided in your backup.

### **Background:**

Additional geotechnical engineering services for the project are required to emulate stormwater management solutions based on the proposed design changes and new requirements of the Southwest Florida Water Management District (SWFWMD). Additional geotechnical services will be provided by AREHNA Engineering, Inc.

### **Attachment(s):**

1. Zephyr Park - Geotechnical Engineering Services 5.08.26

### **Fiscal Impact:**

Funding for the additional geotechnical engineering services will come from the approved budget for Zephyr Park.

### **Staff Recommendation:**

Staff requests approval to amend KH24-155 by an additional \$27,500, for additional geotechnical engineering services.

**May 8, 2026**

Gail K. Hamilton  
City of Zephyrhills  
Community Redevelopment Agency  
5335 8<sup>th</sup> Street  
Zephyrhills, Florida 34205

**Re: Zephyr Park Geotechnical Engineering Services**

Dear Ms. Hamilton:

Kimley-Horn and Associates, Inc. (“Kimley-Horn” or “the Consultant”) is pleased to submit this letter agreement (the “Agreement”) to the City of Zephyrhills Community Redevelopment Agency (“CRA” or “Client”) in accordance with the terms and conditions set forth herein for providing professional consulting services for the design of Zephyr Park.

**PROJECT UNDERSTANDING**

The City of Zephyrhills (City, Client) has retained Kimley-Horn and Associates (Kimley-Horn, Consultant) to provide construction documents, permitting and construction phase services (as a future task) for the implementation of park elements as shown on the Zephyr Park Master Plan approved by City Council February 12, 2024, and attached as Exhibit A. Architectural services under this contract will be provided by Furr, Wegman & Banks Architects, P.A. Additional geotechnical engineering services for the project are required to emulate stormwater management solutions based on the proposed design changes and new requirements of the Southwest Florida Water Management District (SWFWMD). Additional geotechnical services will be provided by AREHNA Engineering, Inc.

**SCOPE OF SERVICES**

The purpose of the geotechnical study is to obtain information on the general subsurface soil conditions at the project site. The subsurface materials encountered will then be evaluated with respect to the available project characteristics. In this regard, engineering assessments for the following items will be formulated:

1. Identification of the existing groundwater levels and estimated normal seasonal high groundwater fluctuations.
2. General location and description of potentially deleterious materials encountered in the borings which may have an impact on the proposed construction.
3. Allowable capacities and estimated foundation settlement for shallow foundations supporting the structures.
4. Ultimate capacity curves and preliminary lateral analysis for the boardwalk and bridge (loads and foundation types/sizes to be provided by the client).
5. General geotechnical recommendations for the proposed construction.
6. Recommended design soil parameters.

7. Recommendations for bedding, subgrade preparation and backfill compaction, suitability of excavated soils for use as backfill and other geotechnical construction considerations.
8. Evaluate the stability of temporary excavated side slopes, which will be necessary during the installation/construction of stormwater facilities and utilities.
9. Recommendations for dewatering/demucking requirements and special procedures to be implemented for culvert construction and/or weir installation.
10. Infiltration rates based on the results of the Double Ring Infiltration (DRI) tests. A horizontal infiltration value will be estimated based on correlations from the vertical infiltration rate and soil types encountered.

The following services will be performed:

1. Site reconnaissance and stake boring locations.
2. Request utility location services from Sunshine811.
3. Coordinate access with Zephyrhills Parks and Recreation Department.
4. Perform a total of eight (8) Standard Penetration Test (SPT) borings at the project site. Samples will be collected, and Standard Penetration Test resistances measured continuously for the top ten (10) feet and at approximate intervals of five (5) feet, thereafter. SPT borings will be performed as follows:
  - a. Four (4) SPT borings will be performed to a depth of 25 feet below the existing ground surface in the locations specified by the client.
  - b. Four (4) SPT borings will be performed to a depth of 50 feet below existing ground surface in the locations specified by the client.
5. Perform seven (7) Double Ring Infiltration (DRI) tests within the proposed drainage facilities at an approximate depth of two (2) feet with associated hand auger borings to six (6) feet at locations provided by the client.
6. Monitor water levels at the six (6) installed temporary piezometers on a weekly basis for a period of approximately four (4) months.
7. Remove the six (6) temporary piezometers upon completion of the weekly water level readings. Visually classify and stratify soil samples in the laboratory and conduct a laboratory testing program as needed to verify soil classifications.
8. Report the results of the field exploration and engineering analysis. The results of the subsurface exploration will be presented in a written report signed and sealed by a professional engineer specializing in geotechnical engineering.

## SCHEDULE

The fieldwork will be performed within approximately four (4) to five (5) weeks from receiving the notice to proceed. During this time, any permits will be obtained, the boring locations will be staked/marked and a utility locates request will be submitted to Sunshine811. The fieldwork should require approximately two (2) weeks to complete, weather and access permitting. The signed and sealed report should be available approximately three weeks after completion of the fieldwork.

**FEE**

Kimley-Horn will complete geotechnical engineering services for a lump sum fee of \$27,500.

**ACCEPTED:**

**CITY OF ZEPHYRHILLS  
PASCO COUNTY, FLORIDA**

**KIMLEY-HORN AND ASSOCIATES, INC.**

BY: \_\_\_\_\_

BY:  \_\_\_\_\_

James R. Pankonin, PLA

TITLE: \_\_\_\_\_

TITLE: Vice President

DATE: \_\_\_\_\_

DATE: May 8, 2026

G:\Marketing\Propose\City of Zephyrhills\Lake Zephyr Park Master Plan\Construction Document Proposal\Zephyr Park - Geotechnical Engineering Services 5.08.26.docx

EXHIBIT A



CONCEPTUAL MASTER PLAN  
 DECEMBER 2023

ZEPHYR PARK  
 ZEPHYRHILLS, FLORIDA

Zephyrhills  
 jump right in

Kimley»Horn

1" = 100'

## **CONSENT ITEMS 1.6**

Rep Services Change Order - Shepard Park Equipment [41-25-19]

**Issue:**

Increase the City-Wide Playground Equipment original contract amount by \$2,941.03 in order to purchase benches and trash receptacles.

**Background:**

The original contract for the City-Wide Playground Equipment was \$2,145,661.81, including contingencies. Shepherds Park, five benches and trash receptacles with concrete pads and installation by RepServices totals \$32,528.30, which puts the contract over budget by \$2,941.03. Funding will come from Penny for Pasco funds.

**Attachment(s):**

1. 22481.01-PROPOSAL

**Fiscal Impact:**

Funding for the additional \$2,941.03 to increase the City-Wide Playground Equipment contract for the benches, trash receptacles including concrete pads and installation will come Penny for Pasco.

**Staff Recommendation:**

Staff recommends approval.



# REP SERVICES, INC.

Experts at Play & Outdoor Spaces

Site Amenities ■ Playground Equipment ■ Safety Surfacing ■ Shade  
Phone: 407.831.9658 Fax: 866.232.8532 E-mail: sales@repervices.com

E-mail POs and contracts to:  
[contracts@repervices.com](mailto:contracts@repervices.com)

**Please mail checks to:**

Rep Services, Inc.  
165 W. Jessup Ave.  
Longwood, FL 32750-4146

**Proposed To:** City of Zephyrhills  
Community Redevelopment Agency  
5335 Eighth Street  
Zephyrhills, FL 33542-4312  
  
**Attn:** Gail Hamilton

**Ship To:** TBD at a later date  
  
**Attn:**

**Bill To:** City of Zephyrhills  
5335 Eighth Street  
Zephyrhills, FL 33542-4312  
  
**Attn:** Jessica Carter

**Project No:** 22481 **Project Name:** City of Zephyrhills - Shepard Park Site F **Project Contact:** Gail Hamilton  
**Proposal No:** 22481.01 **Proposal Name:** Shepard Park Site Furnishings **Project Location:** 3010 A Ave.  
**Proposal Date:** 3/13/2026 **Proposal Expires:** 4/12/2026 **Project County:** Pasco  
**For Questions Contact:** Jason Smith ☎ 407-853-3595 ✉ jason@repervices.com  
**Consultant:** Nathan Almon ☎ 407-853-3565 ✉ nathan@repervices.com **Opt/Rev:** A/0 3/13/26 - JS

**Vendor:** DuMor **Proj Drawings:** DUM 610242

Class	Part No	Qty	Description	Unit Price	Disc	Net Price	Ext Price
Benches	98-63PL	5 EA	6' Cast Bench, 3 X 4 Poly Lumber Seat	1,560.00	-2.0%	1,528.80	7,644.00
Receptacles	41-32PL	5 EA	32-Gallon Receptacle, Poly Lumber	1,030.00	-2.0%	1,009.40	5,047.00
	CVR-30-BT	5 EA	Replacement Bonnet Top For 32 Gal Receptacle	275.00	-2.0%	269.50	1,347.50
<b>Discount per the Clay County Contract #2023/2024-284: \$286.50</b>						Product Subtotal:	\$14,038.50
Freight: Prepaid Ship Method: Best Way FOB: Destination Weight: 1,845 lbs						Freight Charge	\$1,829.80
						<b>DuMor Total:</b>	\$15,868.30

**Installation By RSI Installer: The scope includes the following, as required:** 610243

Item	Qty	Description
INS-DUM	1 LT	Equipment Installation - DuMor: (5) Benches and (5) Receptacles
INS-CON SLAB	1 LT	Install (5) concrete pads at 4'6"x11'6"
TRASH REMOVAL	1 LT	Trash removal from jobsite

**Discount per the Clay County Contract #2023/2024-284: \$340.00**  
**RSI Installer Total:** \$16,660.00

### General Terms of Sale and Proposal Summary

Net 30	<b>Product:</b>	\$14,038.50
	<b>Installation:</b>	\$16,660.00
	<b>Freight:</b>	\$1,829.80
	<b>Proposal Total:</b>	\$32,528.30

### Notes

The Clay County Contract #2023/2024-284 provides a 2% discount on DuMor product. The maximum price for installation is 100% of the product price. (Installation does not include site prep, slabs, footings or engineering).

**Basis of Proposal:**  
Our offer is for (5) Benches and (5) receptacles delivered and installed at Shepard Park.

If a performance and payment bond is required, add 3% to the proposal total.  
If an owner controlled insurance program (OCIP) is required, add 2% to the proposal total.

Also, please be aware that we generate separate invoices for product at the time of delivery, then we invoice for installation upon completion. This is the customary approach in construction and eliminates sales tax on installation services. If your project should include products from multiple manufacturers, be advised that the products will be invoiced separately.

**Estimated project completion schedule**  
(This schedule starts when all needed information to direct engineering has been gathered.)  
2 Weeks: Submittal Approval  
10 Weeks Longest manufacturing lead time. (Typical for scheduling.)  
1 Week Shipping  
1 Weeks Installation  
14 Weeks TOTAL

**General notes:**  
It is Rep Services' understanding that a Geotech report has not been performed. Rep Services, Inc. assumes that the soil bearing capacity is 2,000 psf. Owner, General contractor and/or site contractor to verify soil conditions meet or exceed design assumptions prior to installation of foundations.

Owner to provide all survey information. Signed and sealed survey may be required for permitting. Exact permitting requirements required for authority having jurisdiction will be confirmed after a purchase order is issued and during engineering services. Rep Services, Inc. will request AutoCAD drawings of survey file from owner's survey company.

Structural calculations not provided as part of basic services and typically not required for playground permitting. If calculations are required, a change order for additional will be required.

All rezoning and variance applications are excluded as part of our base scope of work. If rezoning or a variance is required for the project, a change order for additional services will be required.

Once contractor (RSI) has received a Notice to Proceed and the agreed-upon schedule is changed, storage and remobilization fees may be assessed.

If the project is cancelled prior to completion, the project will be billed per the percent of completion. Rep Services, Inc. will provide the percent of completion.

Note that RSI is committed to do all it can to meet the needs of your project.

**DuMor Site Furnishings:**

**Color Selection:** to be made at time of color submittal approval.

**Support Option:** to be made at time of support submittal approval.

**NOTES:** Please be aware of the following

- Some products require assembly.
- Shipments are via Semi Trailer If you require a lift gate and pallet jack delivery, additional fees will be assessed.

**Installation:**

Unless otherwise noted, the following items are to be *PROVIDED BY CUSTOMER* prior to installation:

- Obtaining Permit
- Signed & sealed site plan or survey
- Access for machines and labor crew to equipment installation location
- Staging area
- Geotechnical Report
- Tree survey and barriers
- Private underground utilities located and marked

Our scope does not include:

- Permit Fees assessed by the Building Department
- Performance and Payment Bond
- Davis Bacon Wage Rates
- Certified Payroll Rates
- Enrollment of Owner Controlled Insurance Plan
- Sod & Landscape Restoration
- Dumpster at the site for trash and waste material
- Soils testing
- Site security
- Water
- Dewatering and drainage considerations
- Concrete testing

Installation Charges on this proposal are based on NO UNFORESEEN conditions in the area, above or below the surface. If unforeseen conditions arise, the installation charges will change to reflect additional costs associated with dealing with those circumstances. Examples of this include but are not limited to: site not ready upon installer's arrival, underground utilities, or difficulties with footers due to coral rock or ground water in the holes.

**Time Limitations Holding Prices Firm:**

Orders are shipped within our manufacturer's standard lead times. Requests for delayed shipping may result in additional costs due to increases in freight, material costs or other factors. To secure the prices on this proposal, the offer must be accepted prior to the expiration date noted.

If, during the performance of this contract, the price of a product increases 3% or more as documented by factory quotes, invoices or receipts to contractor (Rep Services, Inc.) from the date of the contract signing the price of shall be equitably adjusted by an amount reasonably necessary to cover such price increases. Where the delivery of a product is delayed, through no fault of contractor (RSI) as a result of the shortage or unavailability of a product, contractor (RSI) shall not be liable for any additional costs or damages associated with such delay(s).

The undersigned warrants that he/she is an authorized representative of the City of Zephyrhills noted and has the requisite authority to bind the City of Zephyrhills and/or principal.

Accepted By:

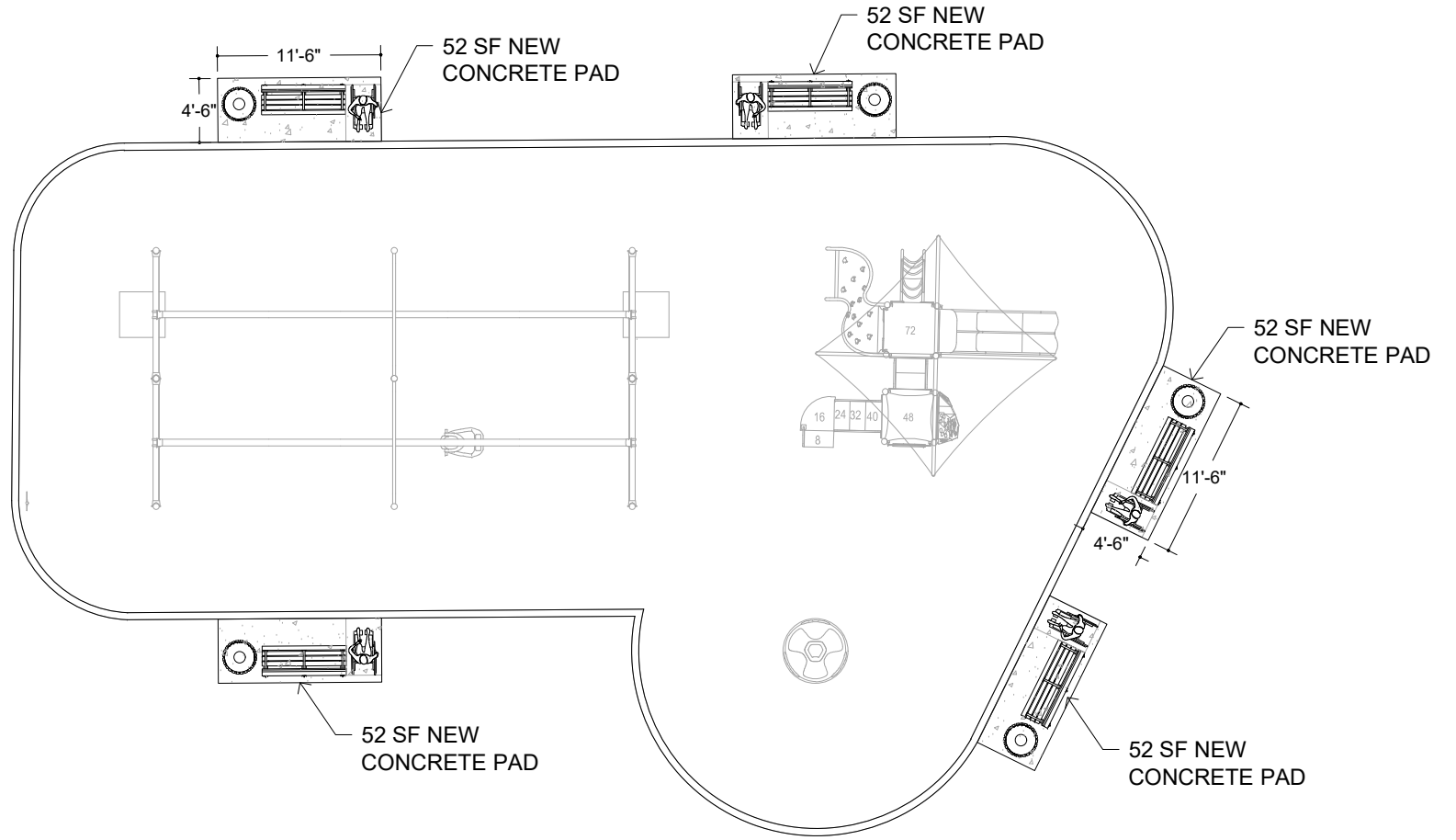
City of Zephyrhills

---

Company Name	Authorized By	Printed Name	Date

As Its: \_\_\_\_\_ (Title)

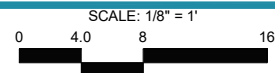
<b>DRAWN BY:</b> KFA	<b>PG-1</b>
PLAY EQUIPMENT PLAN	
<b>TOTAL AREA:</b> 260 SF	
<b>FALL HEIGHT:</b>	
<b>BORDER:</b>	
<b>USER CAPACITY:</b>	
<b>SURFACING:</b> (5) 52 SF CONCRETE BENCH PADS	
<b>SUBGRADE ELEV.:</b>	



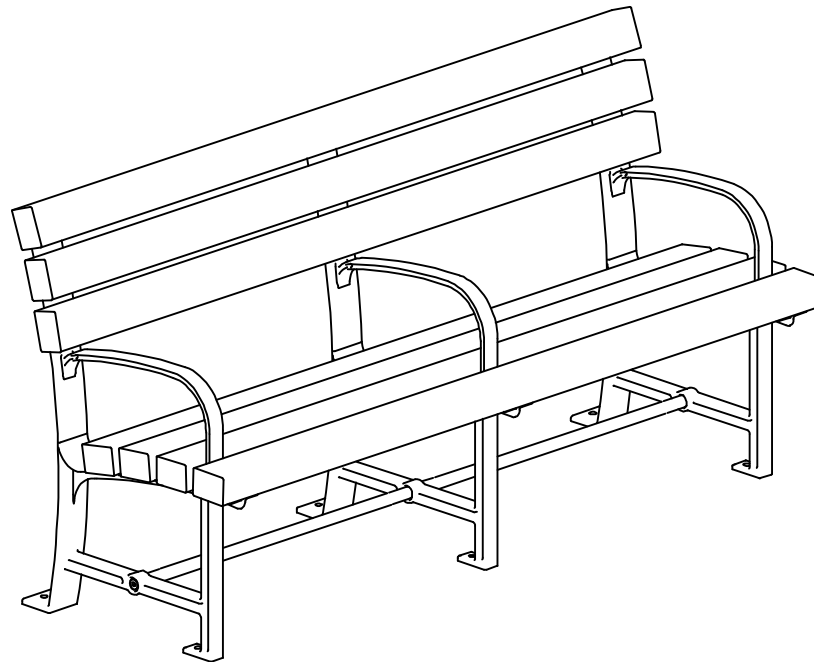
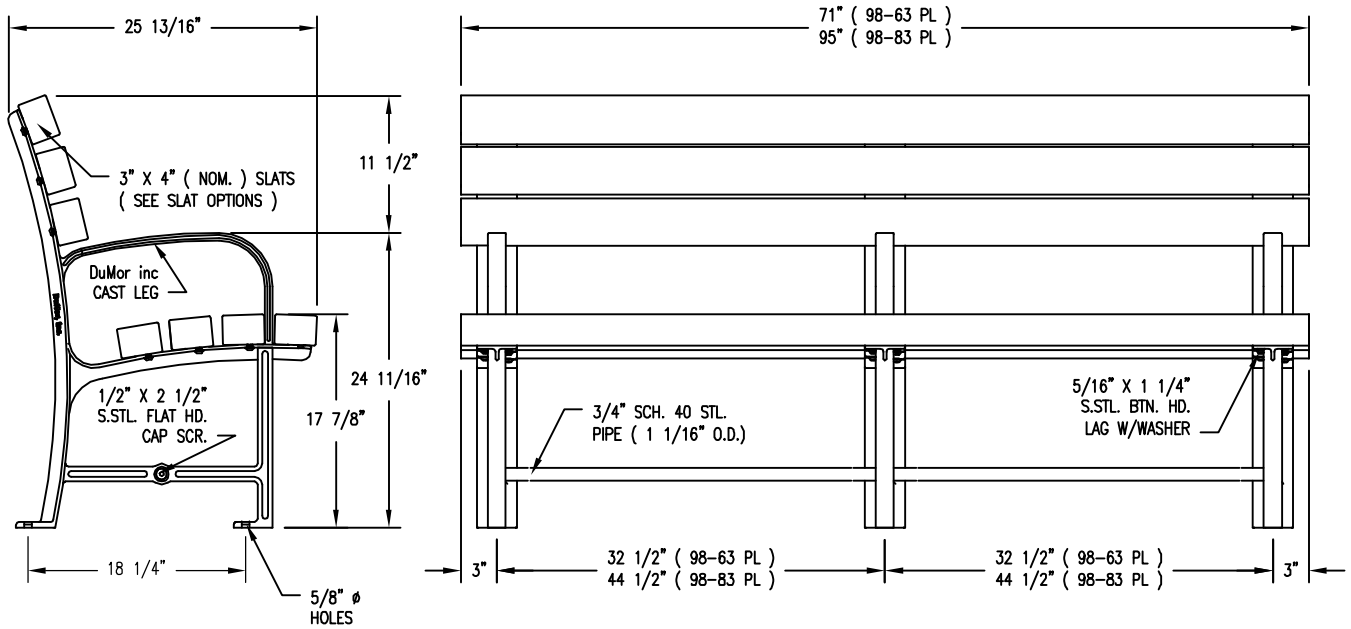
## Shepard Park Site Furnishings

ZEPHYRHILLS, FL  
 PROJECT: 22481-1-1 2026.1  
 NOT FOR CONSTRUCTION

This design DOES NOT include scope of work in detailing drainage/stormwater/sewer/or related infrastructure. All drainage and site utility designs shall be provided by others. Rep Services Inc. responsibility is limited to this drawing and detail, as pertinent to all work listed on Proposal documentation.



**REP SERVICES, INC.**  
 Experts at Play & Outdoor Spaces



W/ 3" x 4" SLATS

- 98-63 PL ( 6' BENCH )
- 98-83 PL ( 8' BENCH )

NOTES

- 1.) ALL STL. MEMBERS COATED W/ ZINC RICH EPOXY THEN FINISHED W/ POLYESTER POWDER COATING.
- 2.) 1/2" X 3 3/4" EXPANSION ANCHOR BOLTS PROVIDED.

SLAT OPTIONS

- "CEDAR" RECYCLED PLASTIC
- "GREY" RECYCLED PLASTIC
- "REDWOOD" RECYCLED PLASTIC
- "WALNUT" RECYCLED PLASTIC
- OTHER \_\_\_\_\_



BENCH

DATE DRAWN : 11/15/99  
 DRAWN BY : AH  
 DATE REV. : 10/25/11  
 REV. BY : RDH

REV.  
A

DRAWING  
NUMBER

98 SERIES PL

SHEET  
1 OF 2

**NOTES:**

- 1.) DURING ASSEMBLY PROCEDURE;  
DO NOT COMPLETELY TIGHTEN HARDWARE.
- 2.) THE ACTUAL PARTS WILL NOT BE NUMBERED.  
NUMBERS ONLY APPLY TO DRAWING.
- 3.) UPON COMPLETION OF ASSEMBLY SQUARE  
ALL COMPONENTS THEN TIGHTEN ALL HARDWARE.
- 4.) MOUNT AND ANCHOR AS SPECIFIED.

**TOOLS REQ'D**

- 3/4" WRENCH
- 5/16" ALLEN WRENCH
- 1/4" ALLEN WRENCH
- 1/2" MASONRY DRILL BIT  
DRILL

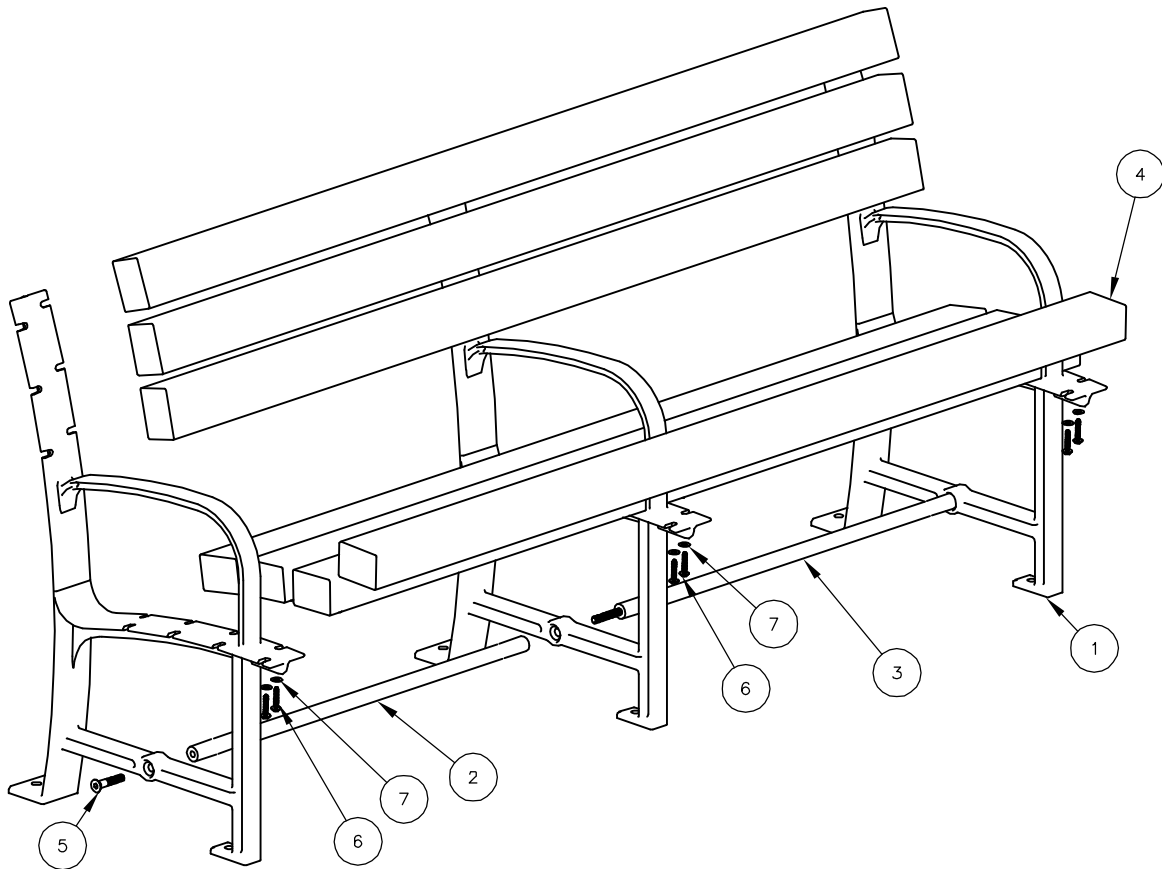
**PARTS LIST**

ITEM	QTY	PART NO	DESCRIPTION
1	3	0-98-00-02	CAST IRON SUPPORT (98)
2	1	0-98-60PL-03	3/4" SCH 40 PIPE BRACE ( 31 3/8" )
3	1	0-98-60PL-04	3/4" SCH 40 PIPE BRACE 31 3/8" W/ STUD
4	7	0-98-63PL-01	3" X 4" X 71" SLAT, PLASTIC
5	2	1-12-065	1/2" X 2 1/2" FLT SKT HD CAP SCR
6	42	1-13-023	5/16" X 1 1/4" SS BTN SKT HD LAG
7	42	1-22-017	5/16" SS FLAT WASHER

**KITS PROVIDED**

ITEM	QTY	PART NO	DESCRIPTION
8	1	K-FC0840-2	1/2" CAP HARDWARE KIT (2 PCS)
9	2	K-BL0524-21	5/16" LAG HARDWARE KIT (21PC)
10	2	K-ANC0860-3	1/2" X 3 3/4" SS ANCHOR KIT (3PCS)

① ATTACH BRACES TO SUPPORTS, THEN ATTACH SLATS TO SUPPORTS.



ASSEMBLY  
INSTRUCTIONS

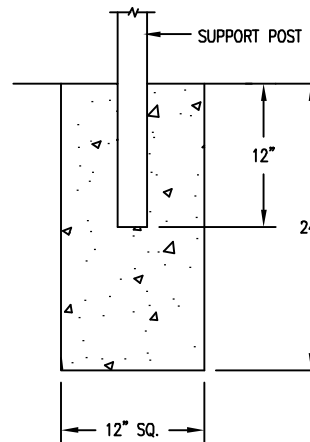
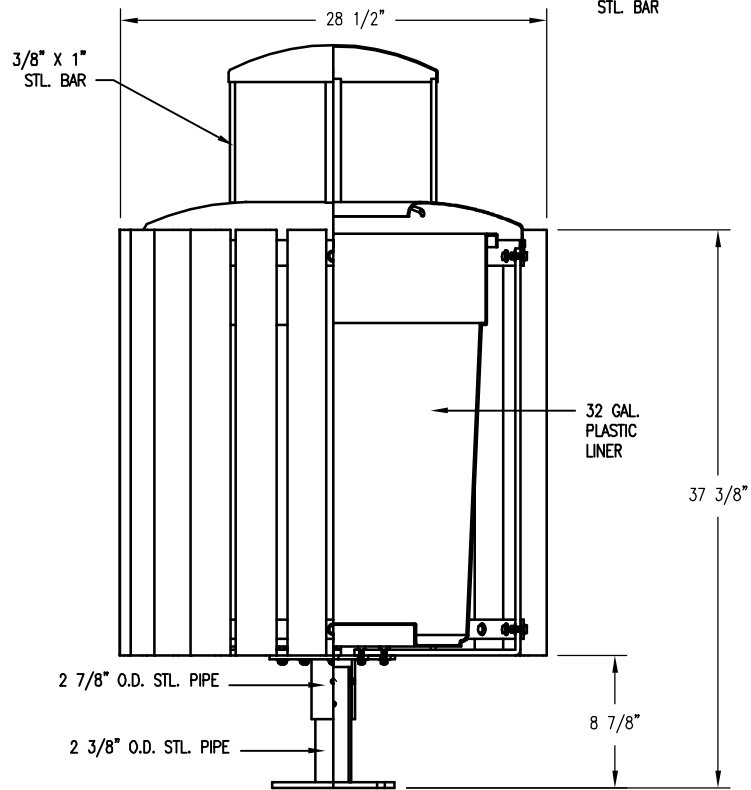
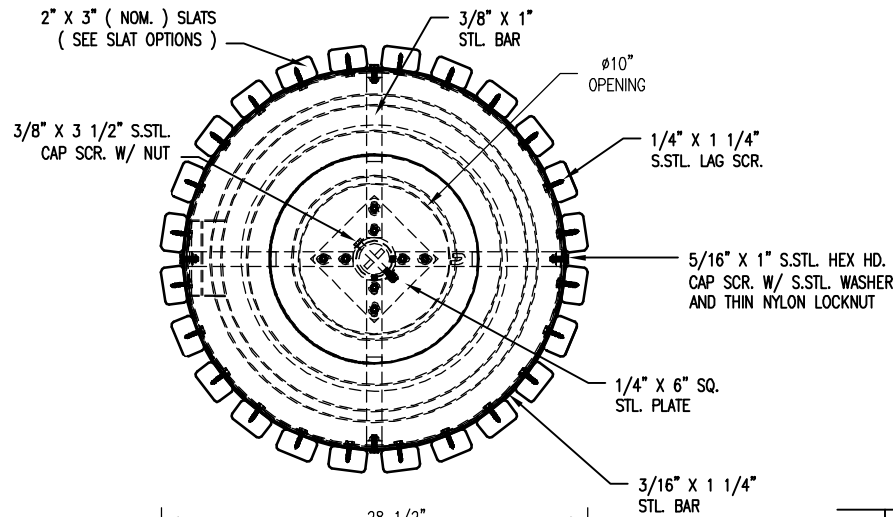
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DRAWN BY : JSB  
DATE REV. : 10/25/11  
REV. BY : RDH

REV.  
D

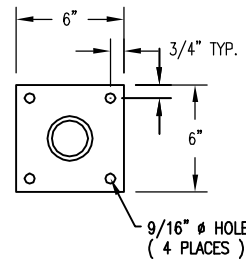
DRAWING  
NUMBER

98 SERIES PL

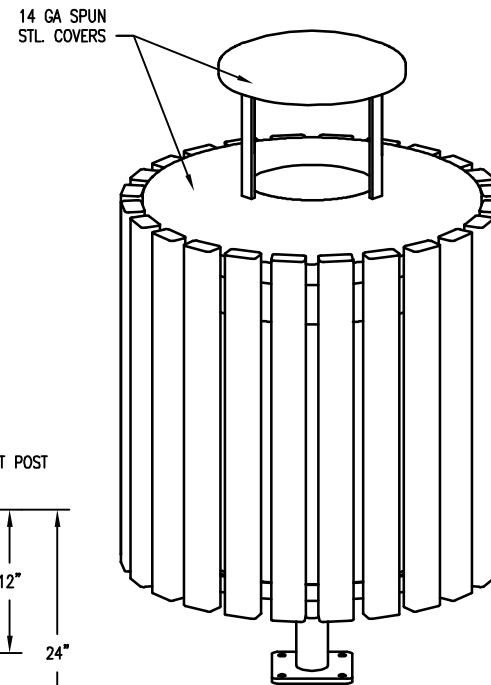
SHEET  
2 OF 2



S-1 EMBEDMENT



S-2 SURFACE



SLAT OPTIONS

- "CEDAR" RECYCLED PLASTIC
- "GREY" RECYCLED PLASTIC
- "REDWOOD" RECYCLED PLASTIC
- "WALNUT" RECYCLED PLASTIC
- OTHER \_\_\_\_\_

NOTES

- 1.) ALL STL. MEMBERS COATED W/ ZINC RICH EPOXY THEN FINISHED W/ BLACK POLYESTER POWDER COATING
- 2.) 1/2" X 3 3/4" EXPANSION ANCHOR BOLTS PROVIDED FOR S-2.



RECEPTACLE

DATE DRAWN : 05/14/08  
 DRAWN BY : JSB  
 DATE REV. : 00/00/00  
 REV. BY : XXX

REV.  
A

DRAWING  
NUMBER

41-32PL  
W/ CVR-30-BT

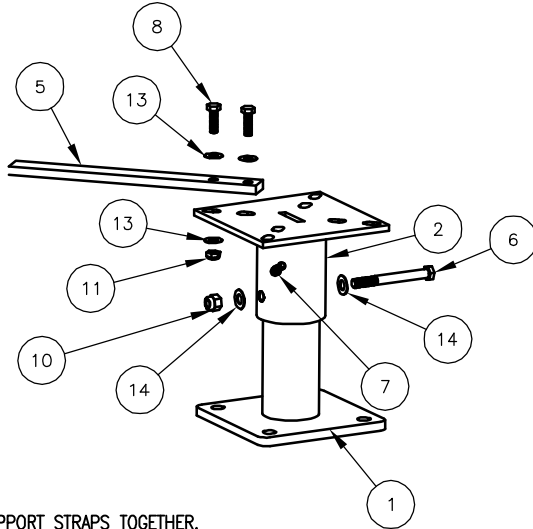
SHEET  
1 OF 2

**NOTES:**

- 1.) DURING ASSEMBLY PROCEDURE;  
DO NOT COMPLETELY TIGHTEN HARDWARE.
- 2.) THE ACTUAL PARTS WILL NOT BE NUMBERED.  
NUMBERS ONLY APPLY TO DRAWING.
- 3.) UPON COMPLETION OF ASSEMBLY SQUARE  
ALL COMPONENTS THEN TIGHTEN ALL HARDWARE.
- 4.) MOUNT AND ANCHOR AS SPECIFIED.

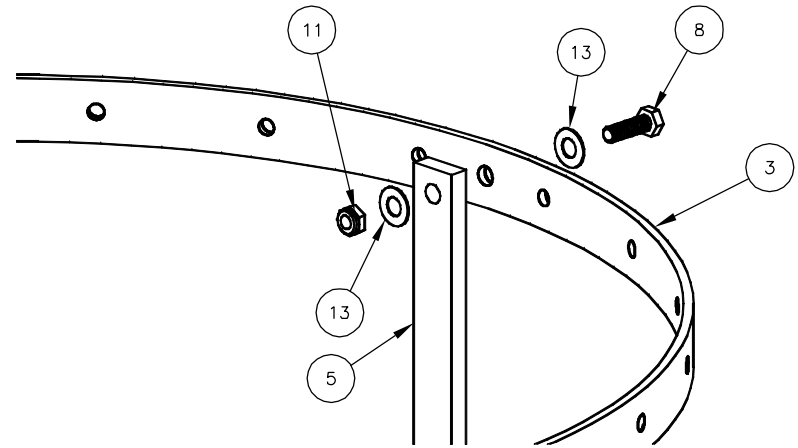
**TOOLS REQ'D**

- 3/4" WRENCH
- 9/16" WRENCH
- 1/2" WRENCH
- 7/16" WRENCH
- 1/4" ALLEN WRENCH
- 1/2" MASONRY DRILL BIT
- DRILL

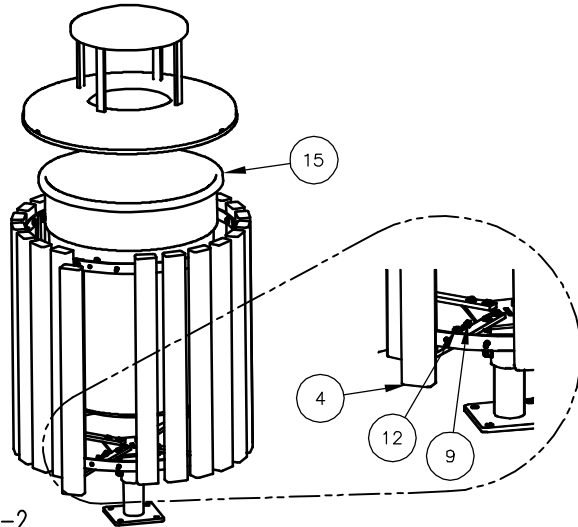


**1** ATTACH SUPPORT, CENTER BRACKET & "L" SUPPORT STRAWS TOGETHER.

**2** ATTACH HOOPS TO STEP 1.



**3** ATTACH SLATS TO STEP 2.



KITS PROVIDED FOR S-2

ITEM	QTY	PART NO	DESCRIPTION
16	1	K-41	41 SER HARDWARE KIT
17	1	K-ANC0860-4	1/2" X 3 3/4" SS ANCHOR KIT (4PC)

PARTS LIST FOR S-2

ITEM	QTY	PART NO	DESCRIPTION
1	1	0-41-00-03/S-2	SUPPORT FOR SURFACE MOUNT
2	1	0-41-00-04	CENTER BRACKET
3	2	0-41-30-01	HOOP FOR 30 GAL
4	24	0-41-30PL-06	2" X 3" X 28 1/2" SLAT, PLASTIC
5	4	0-41-30-07	"L" SUPPORT FOR 30 GAL
6	1	1-12-034	3/8" X 3 1/2" SS HEX HD CAP SCR
7	2	1-12-054	3/8" X 3/8" SS SKT SET SCR
8	16	1-12-061	5/16" X 1" SS HEX HD CAP SCR
9	48	1-13-004	1/4" X 1 1/4" SS HEX HD LAG SCR
10	1	1-20-007	3/8" SS NYLON LOCKNUT
11	16	1-20-020	5/16" SS THIN NYLON LOCKNUT
12	48	1-22-006	1/4" SS FLAT WASHER
13	32	1-22-017	5/16" SS FLAT WASHER
14	2	1-22-024	3/8" SS FLAT WASHER
15	1	49-32	32 GAL PL LINER W/ HANDLE, BLK



ASSEMBLY  
INSTRUCTIONS

DATE DRAWN : 09/02/14  
DRAWN BY : ESS  
DATE REV. : 00/00/00  
REV. BY : XXX

REV.  
A

DRAWING  
NUMBER

41-32PL  
W/ CVR-30-BT

SHEET  
2 OF 2

## **FINANCE DIRECTOR'S REPORT 2.1**

### Audit Report

**Issue:**

The City Council approve the 2025 annual audit.

**Background:**

The annual audit is conducted for City Council approval.

**Attachment(s):**

1. City of Zephyrhills FY2025 Audit Presentation
2. Draft 6.4 City FY2025 \_For Board Packet

**Fiscal Impact:**

Funding for the annual audit is provided in the 2025/2026 approved budget.

**Staff Recommendation:**

Staff recommends approval.



*We'll get you there.*

CPAs | CONSULTANTS | WEALTH ADVISORS

# City of Zephyrhills

Audit Exit Presentation

Year ended September 30, 2025

# Disclosure

**The information portrayed in the following graphic presentation was derived from the City of Zephyrhills, Florida's financial statements. For the fiscal year ended September 30, 2025, the financial statements were audited by CliftonLarsonAllen LLP. This information should be viewed within the context of the City's financial statements and the auditors' reports and letters regarding it.**

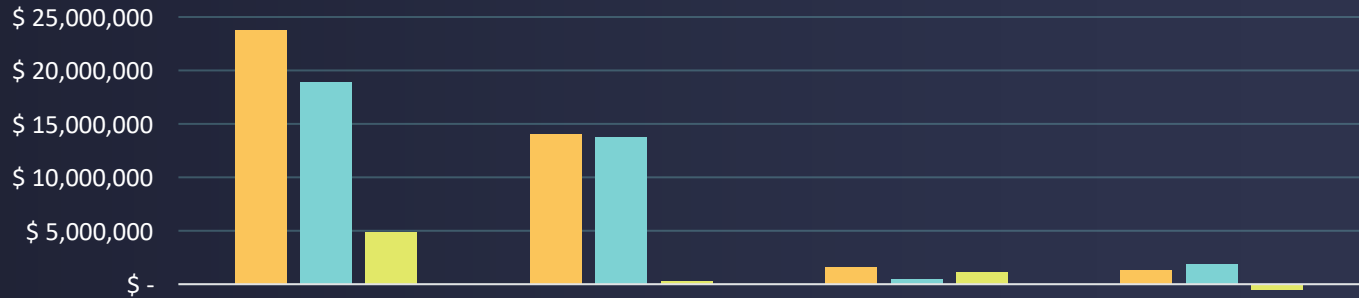


# Financial Statement Highlights and Trends



# Revenue and Expenditures

## Governmental Funds

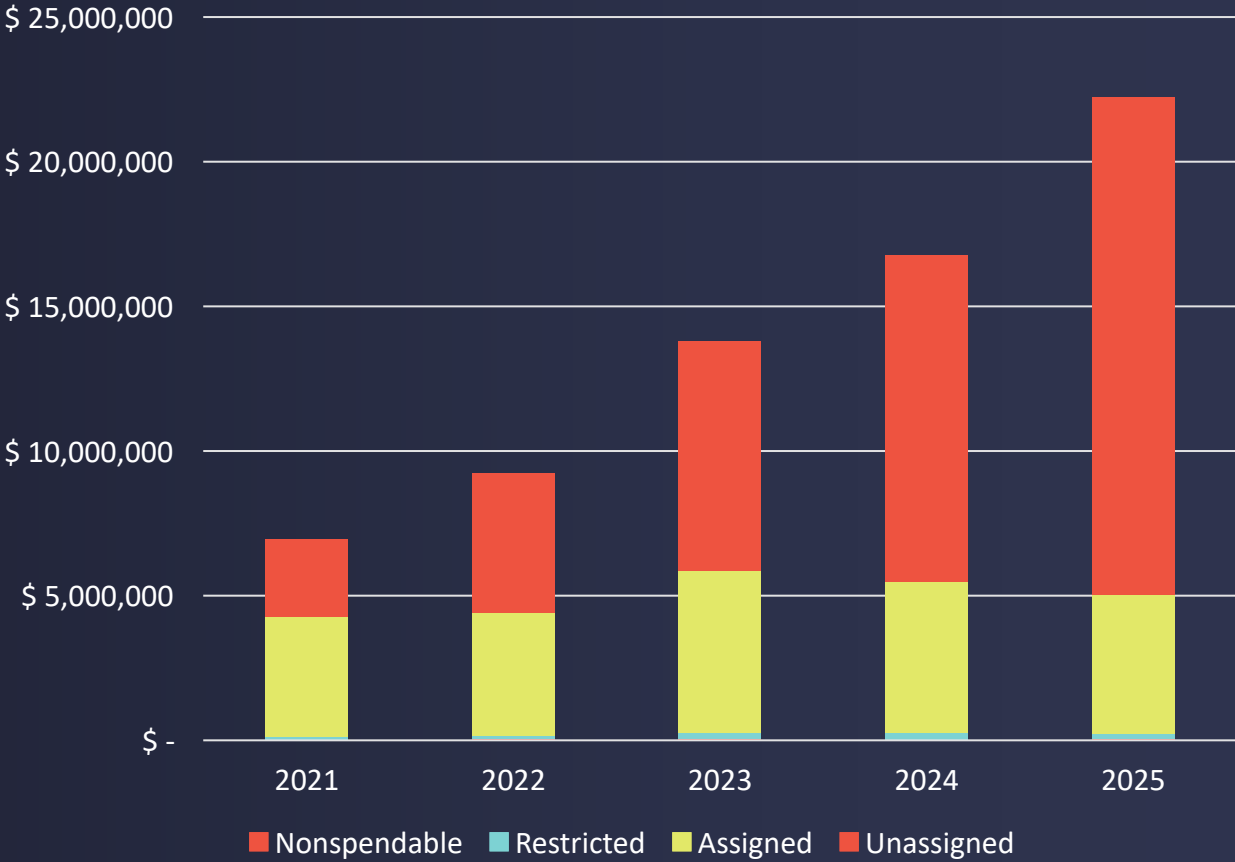


	General Fund	Special Revenue Fund	CRA Fund	Impact Fee Fund
■ Total Revenue & Other Sources	\$ 23,740,215	\$ 14,044,141	\$ 1,550,795	\$ 1,292,548
■ Total Expenditures & Other Uses	18,877,878	13,774,279	471,030	1,851,609
■ Net Change in Fund Balance	4,862,337	269,862	1,079,765	(559,061)

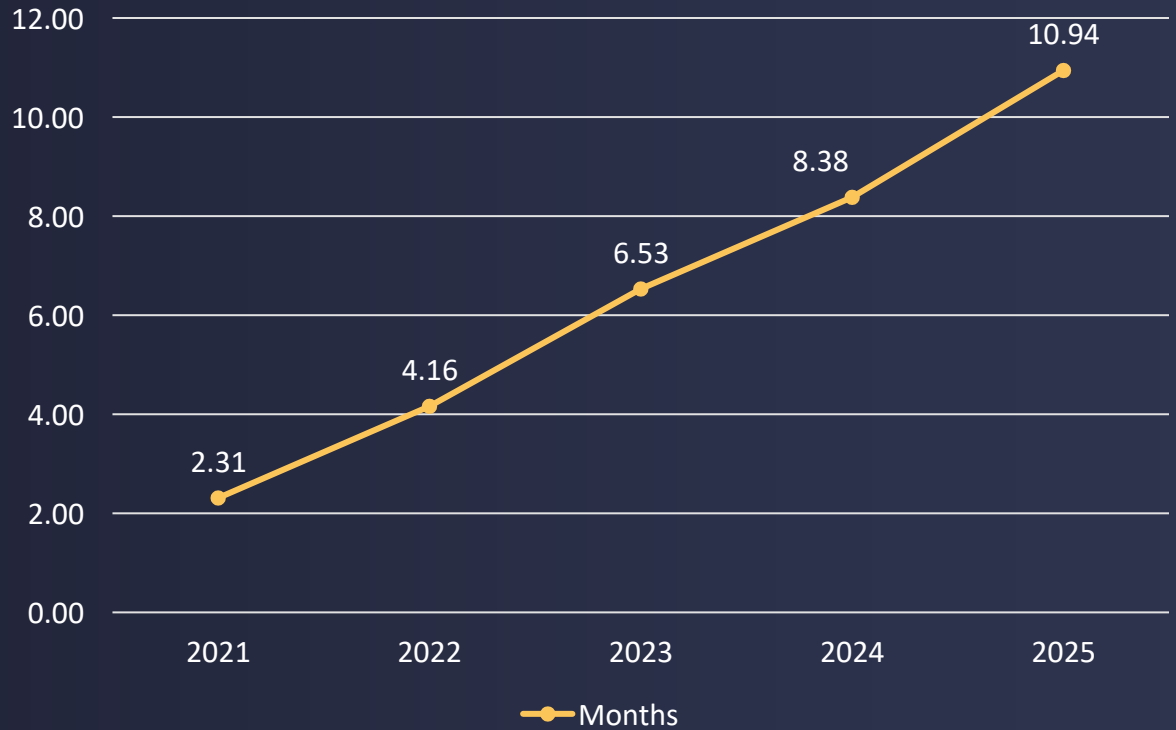


# Fund Balance Composition

General Fund

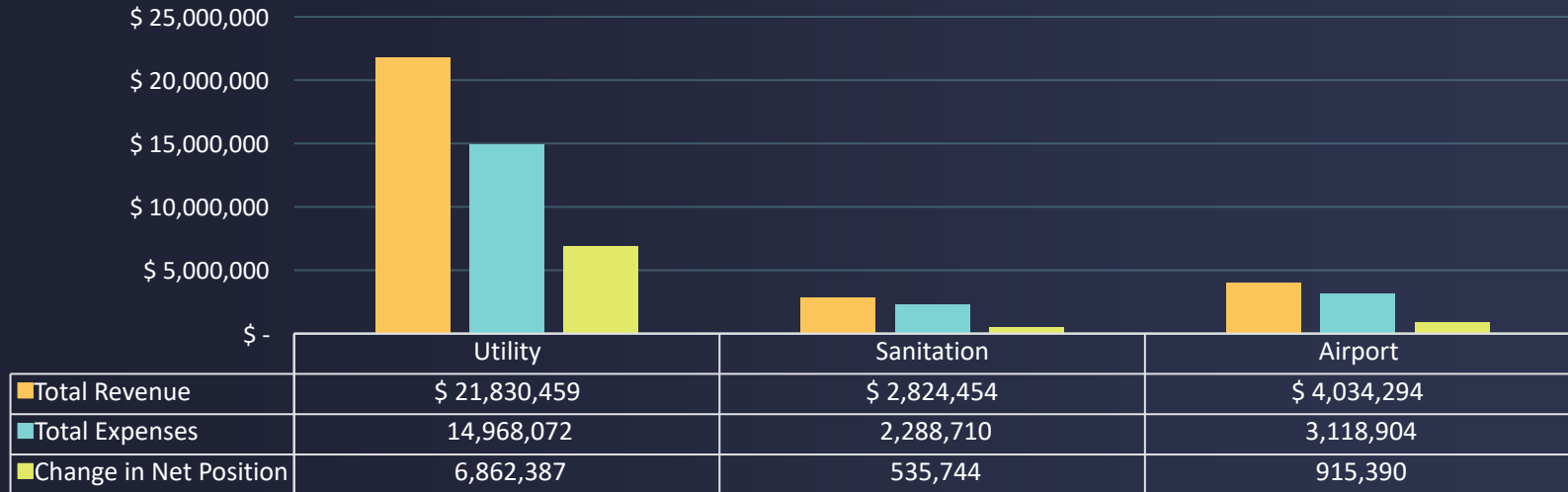


# Number of Months of Expenditures in Unassigned General Fund Balance



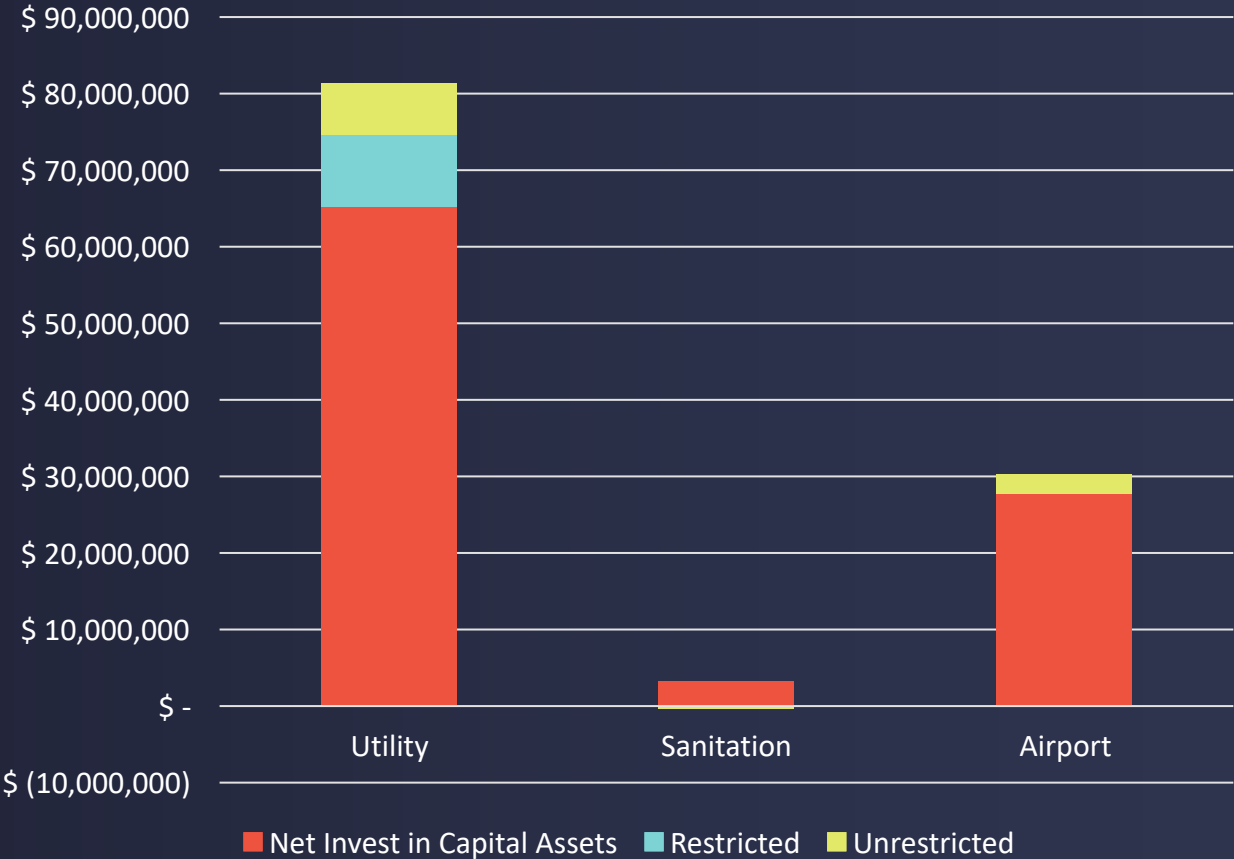
# Revenue and Expenses

## Enterprise Funds



# Net Position Composition

Enterprise Funds



# Audit Results



# Audit Scope



Report on the financial statements



*Government Auditing Standards*  
Internal control/  
Florida management letter



Report on internal control over compliance with major program & state project requirements (Single Audit)



Examination of compliance with investment of public funds and CRA statutes



Required governance communications letter



## AUDIT OPINIONS

### Financial statement

Financial statement audit opinion is **unmodified**.

### Federal & State awards

Federal & state awards audit opinion is **unmodified**.



## AUDIT RESULTS

### Financial statement

One material weakness reported.  
No significant deficiencies reported.

### Federal & State awards

No material weaknesses reported.  
No significant deficiencies reported.



# Findings & Recommendations

## City - 2025-001 – Audit Adjustments

- Material adjustments proposed, including correction of prior year

## CRA - 2025-001 – Compliance with CRA Statutes

- CRA did not submit its adopted budget to the BOCC within 10 days of adoption.



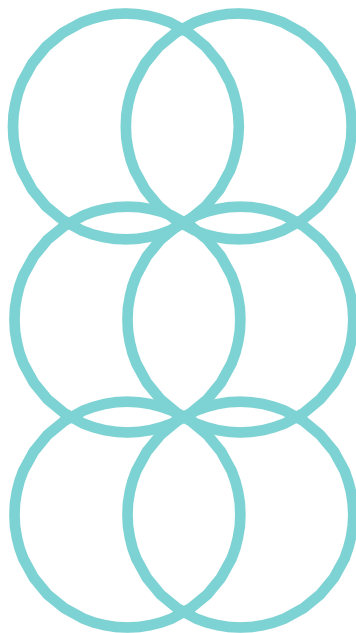
# Governance Communications

## Overall

- New accounting standard:  
GASB No. 101,  
*Compensated Absences*

## Difficulties

- No difficulties in performing the audit
- No disagreements with management



## Estimates

- OPEB

## Other

- Restatement of prior year balances
- Adjusting journal entries



Julie S. Fowler, CPA  
Signing Director  
Julie.Fowler@CLAconnect.com



CLAconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

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Securities and investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor, member FINRA/SIPC.

**CITY OF ZEPHYRHILLS, FLORIDA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2025**

DRAFT

**CITY OF ZEPHYRHILLS, FLORIDA  
OFFICIALS  
SEPTEMBER 30, 2025**

**Elected Officials**

Melonie Bahr Monson  
Charles E. Proctor  
Steven F. Spina, Ph.D  
Kenneth M. Burgess, Jr.  
Lance Smith  
Jodi Wilkeson

Mayor  
President – City Council  
Vice President – Council Member  
Council Member  
Council Member  
Council Member

**Appointed Officials**

William C. Poe, Jr.  
Matthew Maggard

City Manager  
City Attorney



**CITY OF ZEPHYRHILLS, FLORIDA  
TABLE OF CONTENTS  
YEAR ENDED SEPTEMBER 30, 2025**

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<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>5</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>19</b>
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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Zephyrhills (City), as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the City of Zephyrhills as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note 17 of the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, effective for the fiscal year ended September 30, 2025. GASB 101 required liabilities to be recognized for leave attributable to services already rendered, that accumulates, and is more likely than not to be used or otherwise paid or settled. Our opinions are not modified with respect to this matter.

#### ***Emphasis of Matter – Restatement due to Accounting Error***

As discussed in Note 16 to the financial statements, the City restated beginning balances to correct accounting errors that occurred in a prior year. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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.

In performing an audit in accordance with GAAS 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules 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* and Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules and schedule of expenditures of federal awards and state financial assistance are 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 Schedule of Operating Income (Loss) and Statistical Section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the 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 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, 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 solely 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 effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

Lakeland, Florida  
REPORT DATE

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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A)**

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**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

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, 2025. 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 19-21, fund financial statements on pages 22-30, footnotes on pages 31-74, and other Required Supplemental Information beginning on pages 75-98..

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 \$188,570,574.
- The City's total net position increased by \$28,330,277 (or 16.3%). The City's governmental net position increased by \$8,313,521 (or 32.0%), mainly as a result of continued capital investment without taking on additional debt. The business-type net position increased by \$3,607,745 (or 7.5%).
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$41,868,410, an increase of \$5,652,903 in comparison with the prior year. Approximately 41.0% or \$17,185,463 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 \$2,357,104 (or 12.3%). General Fund expenditures, exclusive of capital expenditures, increased by \$2,706,114 (or 17.4%). The Net Change in General Fund Balance was an increase of \$ 4,862,337.
- At the end of the current fiscal year, fund balance for the General Fund was \$22,226,853 (or 121.6%) of total General Fund operating expenditures excluding capital outlay and debt service.
- The business-type activities (the City's Proprietary Funds) operating revenues increased by \$2,388,031 (or 13.2 %); operating expenses increased by \$1,562,249 (or 9.6%); operating income/loss increased from an operating income of \$ 1,831,365 in FY 2024 to \$2,657,147 in FY 2025. The change in net position for the Proprietary Funds was an increase of \$8,313,521 in FY 2025.
- The City's total long-term debt excluding other liabilities (namely compensated absences and Other Postemployment Benefits OPEB) decreased by \$2,058,066. The City's total long-term debt for governmental activities decreased by \$483,490, while long-term debt business-type activities decreased by \$1,574,576.

### **City Highlights**

City administration took a conservative approach to balancing the fiscal year 2025 budget. The City's gross taxable property value increased for the ninth consecutive year. Ad valorem taxes increased by \$1,534,315 to \$10,218,542 using the millage rate of 6.2500, an increase of 2.71% over the Rolled-Back Rate of 6.0848.

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

Large projects include the following:

**Utility** – Completed construction on Northside Phase 3 Kossik and Fort King, \$2,431,769. Lift Station Rehabs to #26, #28, #31, #47, #50 and #54, \$716,619. Continuing construction of the Effluent Pump Station, \$1,917,222, Pasco County Reclaimed Interconnect Project, \$964,345 and City Yard Complex Project, \$381,458.

**City Government** – Completed construction on Hercules Park, \$7,863,045 and Sarah Vande Berg Tennis Center Phase 2, \$5,283,458. Continuing construction of the South Ave Extension-National Guard Project, \$1,329,872 and the City Yard Complex Project, \$765,522.

**Sanitation** – Continuing construction of the City Yard Complex Project, \$127,153.

**Airport** – Completed construction on Runway 1-19 Extension, \$5,259,935. Continuing construction of Taxiway F Development, \$1,488,391, Taxiway E, \$100,027 and Runway 1-19 Rehabilitation, \$56,863

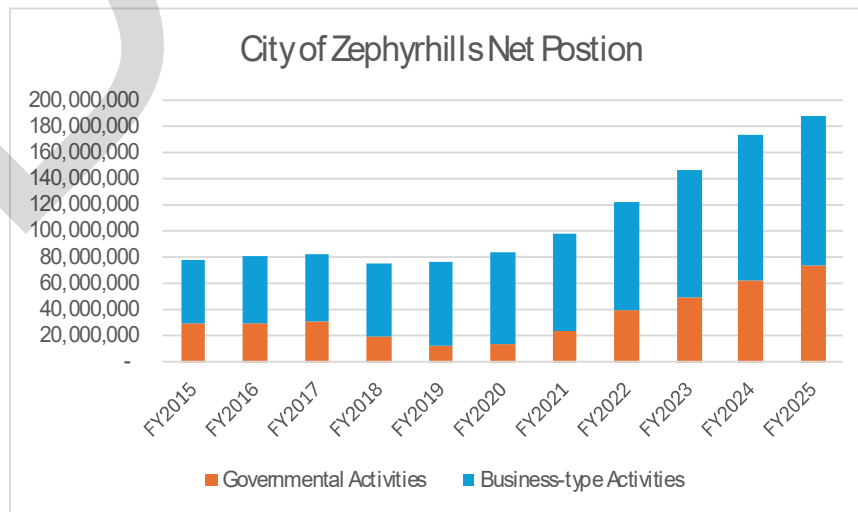
**OVERVIEW OF THE FINANCIAL STATEMENTS**

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 position. 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.



**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

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 19-21 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 22-25 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

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 75-81.

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 26-30.

**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 31-74 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 \$188,570,574 at the close of the fiscal year ending September 30, 2025.

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.

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

The following table reflects the condensed statement of net position compared to the prior fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>ASSETS</b>						
Current Assets	\$ 46,012,715	\$ 40,809,110	\$ 31,205,169	\$ 29,952,410	\$ 77,217,884	\$ 70,761,520
Noncurrent Assets and Deferred Outflows	74,384,035	55,955,745	113,050,766	101,383,726	187,434,801	157,339,471
Total Assets and Deferred Outflows	120,396,750	96,764,855	144,255,935	131,336,136	264,652,685	228,100,991
<b>LIABILITIES</b>						
Current Liabilities	3,654,842	2,773,440	8,497,090	5,110,859	12,151,932	7,884,299
Noncurrent Liabilities and Deferred Inflows	42,803,965	31,522,904	21,126,214	15,200,391	63,930,179	46,723,295
Total Liabilities and Deferred Inflows	46,458,807	34,296,344	29,623,304	20,311,250	76,082,111	54,607,594
<b>NET POSITION</b>						
Invested in Capital Assets, Net of Related Debt	58,837,315	48,314,864	96,209,580	87,981,541	155,046,895	136,296,405
Restricted - Debt Service, R/R, and Extension	19,745,624	22,038,723	9,445,489	11,620,425	29,191,113	33,659,148
Unrestricted	(4,644,996)	(7,885,076)	8,977,562	11,422,920	4,332,566	3,537,844
Total Net Position	\$ 73,937,943	\$ 62,468,511	\$ 114,632,631	\$ 111,024,886	\$ 188,570,574	\$ 173,493,397

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 \$4,644,996, an improvement from a negative \$7,885,076 in Fiscal Year 2024. The improvement was partially due to the increase in capital assets and cash balances. For more detailed information, see the statement of net position (pages 19 and 20).

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

**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 \$20,016,756 and business-type activity net position increased \$8,313,521 as discussed below.

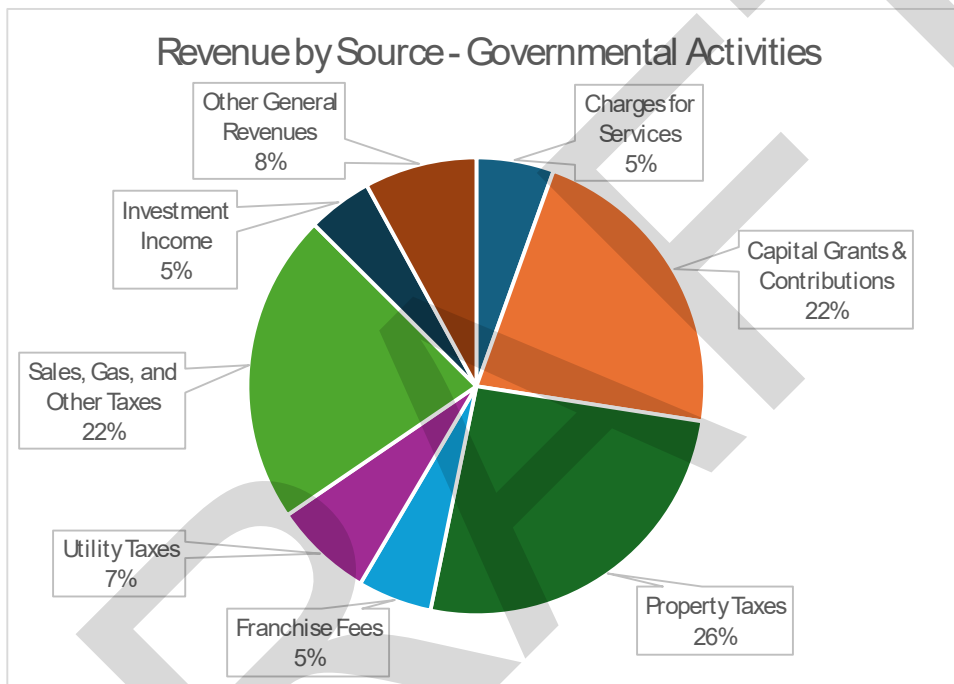
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 2,176,611	\$ 3,528,477	\$ 20,415,405	\$ 19,468,281	\$ 22,592,016	\$ 22,996,758
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	8,719,904	781,999	4,738,064	10,066,651	13,457,968	10,848,650
General Revenues:						
Property Taxes	10,218,542	8,684,227	-	-	10,218,542	8,684,227
Franchise Fees	2,077,059	1,891,749	-	-	2,077,059	1,891,749
Utility Taxes	2,788,701	2,401,570	-	-	2,788,701	2,401,570
Sales, Gas, and Other Taxes	8,726,699	8,123,568	-	-	8,726,699	8,123,568
Investment Income	1,814,943	2,342,681	1,047,590	658,479	2,862,533	3,001,160
Other General Revenues	3,152,455	-	2,082,397	14,597	5,234,852	14,597
<b>Total Revenues</b>	<b>39,674,914</b>	<b>27,754,271</b>	<b>28,283,456</b>	<b>30,208,008</b>	<b>67,958,370</b>	<b>57,962,279</b>
<b>EXPENDITURES</b>						
Program Activities:						
Primary Government:						
Governmental Activities:						
General Government	4,726,765	3,891,762	-	-	4,726,765	3,891,762
Public Safety	8,436,375	4,890,286	-	-	8,436,375	4,890,286
Protective Inspections	1,032,956	578,445	-	-	1,032,956	578,445
Public Works	6,255,532	3,790,179	-	-	6,255,532	3,790,179
Culture and Recreation	559,321	377,765	-	-	559,321	377,765
Economic Environment	351,757	1,112,349	-	-	351,757	1,112,349
Interest Cost	269,512	117,639	-	-	269,512	117,639
Business-Type Activities:						
Utility	-	-	12,969,701	11,209,529	12,969,701	11,209,529
Sanitation	-	-	1,927,270	2,159,722	1,927,270	2,159,722
Airport	-	-	3,098,904	3,119,145	3,098,904	3,119,145
<b>Total Expenditures</b>	<b>21,632,218</b>	<b>14,758,425</b>	<b>17,995,875</b>	<b>16,488,396</b>	<b>39,628,093</b>	<b>31,246,821</b>
<b>INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS</b>	<b>18,042,696</b>	<b>12,995,846</b>	<b>10,287,581</b>	<b>13,719,612</b>	<b>28,330,277</b>	<b>26,715,458</b>
Transfers	1,974,060	-	(1,974,060)	-	-	-
<b>INCREASE IN NET POSITION</b>	<b>20,016,756</b>	<b>12,995,846</b>	<b>8,313,521</b>	<b>13,719,612</b>	<b>28,330,277</b>	<b>26,715,458</b>
Net Position - Beginning of Year	62,468,511	49,472,665	111,024,886	97,305,274	173,493,397	146,777,939
Restatement	(8,547,324)	-	(4,705,776)	-	(13,253,100)	-
Net Position - Beginning of Year, as Restated	53,921,187	49,472,665	106,319,110	97,305,274	160,240,297	146,777,939
<b>NET POSITION - END OF YEAR</b>	<b>\$ 73,937,943</b>	<b>\$ 62,468,511</b>	<b>\$ 114,632,631</b>	<b>\$ 111,024,886</b>	<b>\$ 188,570,574</b>	<b>\$ 173,493,397</b>

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

**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 because governmental revenues remain consistently strong while governmental expenditures fall short of budgeted projections.

As illustrated in the following chart, 26% 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 \$3,607,745 – 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 new 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

**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 nonrecurring)** – Certain recurring revenues (state revenue sharing, block grants, etc.) may experience significant changes periodically while nonrecurring (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.

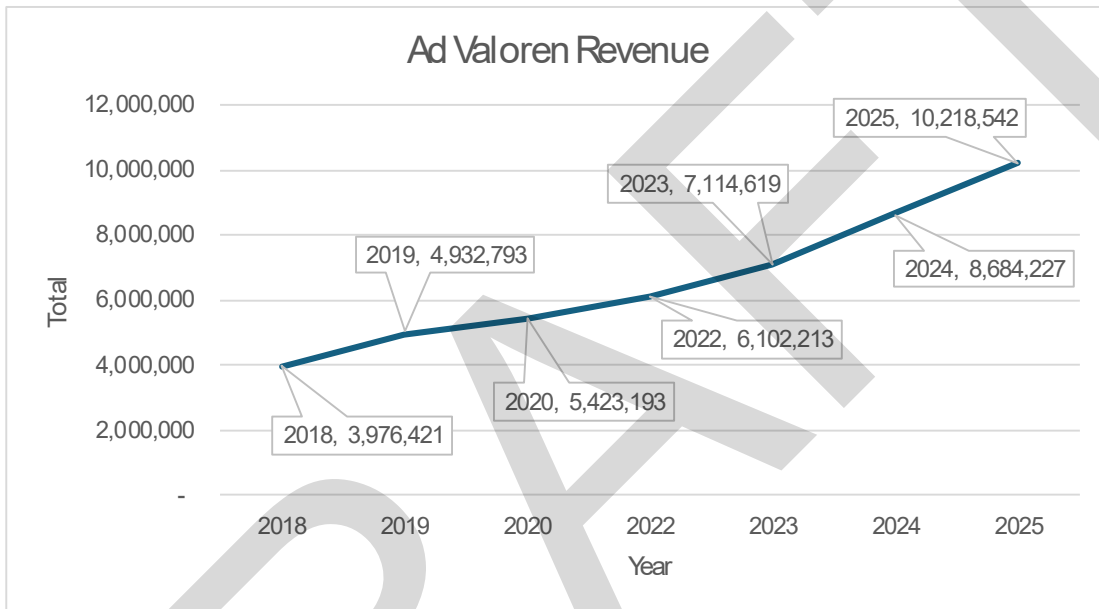
**Salary Increases (cost of living and market adjustment)** – The ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

**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.

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

**Current Year Impacts Revenues  
Economic Condition**

The City's ad valorem revenue has increased for the seventh straight year. Ad valorem taxes increased \$1,534,315, 17.67% more than collected in fiscal year 2024. 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 2025.

**Expenses**

Operating costs increased by 6.49% in the Governmental Funds, the Utility Fund expenditures increased by 15.3%. Operating costs decreased by 0.6% in the Airport Fund and 5.3 % in the Sanitation Fund. Detailed reports on operating revenues and expenditures in the governmental funds and enterprise funds are reported elsewhere in this report.

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

**Governmental Funds**

As of the year end, the governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$41,868,410 which is 8.1% more than the prior year combined fund balance of \$38,744,464.

\$17,185,463 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 \$114,632,631 which is \$8,313,521 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 \$2,995,810 and, after nonoperating revenues and expenses and capital contributions, an increase in net position of \$6,862,387. Operating revenues increased by 19.2%. Operating expenses increased by 15.3%.
- The Sanitation Fund has an operating income of \$826,372 and, after nonoperating revenues and expenses and capital contributions, an increase in net position of \$535,744. Operating revenues increased 9.6% from the previous year and operating expenses decreased 5.3%.
- The Airport Fund had an operating loss of \$1,165,035 and, after nonoperating revenues and expenses, capital contributions, and transfers, an increase in net position of \$915,390. 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 decreased by 16.7% and operating expenses decreased by 0.6%.

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of year-end, the City had \$172.05 million invested in a variety of capital assets, as reflected in the following table, which represents an increase (additions less retirements and depreciation) of \$19.78 million (or 12.99%) from the previous year balances.

**Capital Assets at Year-End (Expressed in Millions)  
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 4.38	\$ 4.30	\$ 2.86	\$ 2.86	\$ 7.24	\$ 7.16
Buildings and Improvements	22.66	22.47	46.20	46.03	68.86	68.50
Improvements Other than Buildings	9.33	9.07	-	-	9.33	9.07
Equipment	12.07	11.13	10.12	9.26	22.19	20.39
Infrastructure	43.42	28.87	105.04	102.09	148.46	130.96
Subscription Assets	2.20	2.25	-	-	2.20	2.25
Less: Accumulated Depreciation	(33.04)	(31.19)	(71.66)	(67.00)	(104.70)	(98.19)
Less: Accumulated Amortization	(0.58)	(0.23)	-	-	(0.58)	(0.23)
Subtotal	60.44	46.67	92.56	93.24	153.00	139.91
Construction in Progress	4.01	6.42	15.04	5.94	19.05	12.36
Total	<u>\$ 64.45</u>	<u>\$ 53.09</u>	<u>\$ 107.60</u>	<u>\$ 99.18</u>	<u>\$ 172.05</u>	<u>\$ 152.27</u>

The following table presents a summary of the change in capital assets, which is presented in detail on pages 48 and 49 of the notes.

**Change in Capital Assets  
(Expressed in Millions)**

	Governmental Activities	Business-Type Activities	Primary Government
Net Capital Assets, Beginning Balance	\$ 53.24	\$ 100.03	\$ 153.27
Additions	14.59	14.00	28.59
Retirements	(1.16)	(0.99)	(2.15)
Change in Depreciation	(2.22)	(4.66)	(6.88)
Net Capital Assets, Ending Balance	<u>\$ 64.45</u>	<u>\$ 108.38</u>	<u>\$ 172.83</u>

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

**Debt Outstanding**

As of year-end, the City had \$13.93 million in debt (notes, capital leases payable, etc. excluding compensated absences) outstanding compared to \$15.99 last year, a 12.87% decrease.

Detailed information regarding the City's long term debt obligation can be found in Note 7, pages 51 and 52 of this report.

**Outstanding Debt, at Year End  
Excluding Other Liabilities (Compensated Absences, OPEB, Impact Fee Rebate)**

	2025	2024
Governmental:		
Capital Improvements	\$ 4,299,027	\$ 4,782,517
Subtotal	4,299,027	4,782,517
Business Type:		
Bonds Payable - BB&T Series Equipment Finance Lease	725,915	1,436,120
Capital Improvement Notes	8,902,086	9,766,457
Subtotal	9,628,001	11,202,577
Total	\$ 13,927,028	\$ 15,985,094

**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.

**CITY OF ZEPHYRHILLS, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

**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.

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**CITY OF ZEPHYRHILLS, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2025**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Pooled Cash, Cash Equivalents, and Investments	\$ 38,552,213	\$ 14,597,129	\$ 53,149,342
Restricted Assets:			
Cash and Pooled Cash, Cash Equivalents, and Investments:			
Utility Connection Impact Fees	-	9,445,489	9,445,489
Utility Deposits	-	1,865,647	1,865,647
Receivables (Net of Allowance):			
Accounts - Billed and Unbilled	2,300,227	1,933,274	4,233,501
Due from Other Governments	5,117,169	2,602,870	7,720,039
Inventories	31,290	584,247	615,537
Lease Receivable - Short-Term	-	175,242	175,242
Prepaid Items	11,816	1,271	13,087
Total Current Assets	46,012,715	31,205,169	77,217,884
Noncurrent Assets:			
Lease Receivable - Long-Term	-	1,536,420	1,536,420
Land and Improvements	4,377,769	2,864,000	7,241,769
Construction in Process	4,018,475	15,819,407	19,837,882
Building and Improvements	22,655,833	46,205,001	68,860,834
Improvements - Other than Building	9,333,975	-	9,333,975
Equipment	12,071,019	10,122,479	22,193,498
Infrastructure	43,423,436	105,044,444	148,467,880
Subscription Assets	2,199,193	-	2,199,193
Accumulated Depreciation	(33,622,917)	(71,666,822)	(105,289,739)
Total Noncurrent Assets	64,456,783	109,924,929	174,381,712
Total Assets	110,469,498	141,130,098	251,599,596
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources - OPEB	6,821,307	2,475,881	9,297,188
Deferred Outflows of Resources - Pension	3,105,945	649,956	3,755,901
Total Deferred Outflows of Resources	9,927,252	3,125,837	13,053,089

See accompanying Notes to Financial Statements.

**CITY OF ZEPHYRHILLS, FLORIDA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**SEPTEMBER 30, 2025**

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 1,757,115	\$ 3,661,622	\$ 5,418,737
Customer Deposits	-	1,915,535	1,915,535
Accrued Interest Payable	50,385	34,746	85,131
Unearned Revenue	627,482	-	627,482
Water Capacity Reservation		588,300	588,300
Current Portion of:			
Revenue Bonds and Notes Payable	494,823	2,157,332	2,652,155
Subscription Asset Payable - Short-Term	205,651	-	205,651
Compensated Absences	519,386	139,555	658,941
Total Current Liabilities	<u>3,654,842</u>	<u>8,497,090</u>	<u>12,151,932</u>
Noncurrent Liabilities:			
Net Pension Liability	10,137,398	2,305,736	12,443,134
Revenue Bonds and Notes Payable	3,804,204	7,470,669	11,274,873
Subscription Asset Payable - Long-Term	1,503,401	-	1,503,401
Compensated Absences	1,558,157	732,665	2,290,822
Net OPEB Liability	7,637,084	2,771,979	10,409,063
Total Noncurrent Liabilities	<u>24,640,244</u>	<u>13,281,049</u>	<u>37,921,293</u>
Total Liabilities	28,295,086	21,778,139	50,073,225
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources - Leases	-	1,559,056	1,559,056
Deferred Inflows of Resources - OPEB	15,790,992	5,731,545	21,522,537
Deferred Inflows of Resources - Pension	2,372,729	554,564	2,927,293
	<u>18,163,721</u>	<u>7,845,165</u>	<u>26,008,886</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	58,837,315	96,209,580	155,046,895
Restricted:			
Infrastructure	8,553,430	-	8,553,430
Community Reinvestment	3,016,378	-	3,016,378
Transportation - Fuel Tax	575,119	-	575,119
Impact Fees	7,600,697	-	7,600,697
Extensions - Utility Fund	-	9,445,489	9,445,489
Unrestricted	(4,644,996)	8,977,562	4,332,566
Total Net Position	<u>\$ 73,937,943</u>	<u>\$ 114,632,631</u>	<u>\$ 188,570,574</u>

See accompanying Notes to Financial Statements.

**CITY OF ZEPHYRHILLS, FLORIDA  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Expenses	Program Revenues			Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ (4,726,765)	\$ 34,270	\$ -	\$ 8,565,584	\$ 3,873,089	\$ -	\$ 3,873,089
Police	(8,022,342)	193,965	-	154,320	(7,674,057)	-	(7,674,057)
Fire	(414,033)	-	-	-	(414,033)	-	(414,033)
Protective Inspections	(1,032,956)	994,039	-	-	(38,917)	-	(38,917)
Economic Environment	(351,757)	-	-	-	(351,757)	-	(351,757)
Public Works	(6,255,532)	948,230	-	-	(5,307,302)	-	(5,307,302)
Library	(559,321)	6,107	-	-	(553,214)	-	(553,214)
Interest and Fiscal Charges	(269,512)	-	-	-	(269,512)	-	(269,512)
<b>Total Governmental Activities</b>	<b>(21,632,218)</b>	<b>2,176,611</b>	<b>-</b>	<b>8,719,904</b>	<b>(10,735,703)</b>	<b>-</b>	<b>(10,735,703)</b>
<b>Business-Type Activities:</b>							
Water and Sewer	(12,969,701)	15,728,948	-	3,151,624	-	5,910,871	5,910,871
Sanitation	(1,927,270)	2,752,588	-	-	-	825,318	825,318
Airport	(3,098,904)	1,933,869	-	1,586,440	-	421,405	421,405
<b>Total Business-Type Activities</b>	<b>(17,995,875)</b>	<b>20,415,405</b>	<b>-</b>	<b>4,738,064</b>	<b>-</b>	<b>7,157,594</b>	<b>7,157,594</b>
<b>Total</b>	<b>\$ (39,628,093)</b>	<b>\$ 22,592,016</b>	<b>\$ -</b>	<b>\$ 13,457,968</b>	<b>(10,735,703)</b>	<b>7,157,594</b>	<b>(3,578,109)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Ad Valorem					10,218,542	-	10,218,542
Franchise Fees					2,077,059	-	2,077,059
Communications Services					1,055,762	-	1,055,762
Utility Taxes					2,788,701	-	2,788,701
Business Taxes					136,566	-	136,566
State Revenue Sharing					720,411	-	720,411
Half-Cent Sales Tax					1,607,711	-	1,607,711
Local Option Gas Tax					965,443	-	965,443
Local Option Sales Tax					4,086,833	-	4,086,833
Other Taxes					153,973	-	153,973
Investment Income					1,814,943	1,047,590	2,862,533
Miscellaneous					3,540,672	2,203,118	5,743,790
Transfers to/from other funds					1,974,060	(1,974,060)	-
Gain (Loss) on Asset Disposal					(388,217)	(120,721)	(508,938)
<b>Total Revenue Revenues and Special Items</b>					<b>30,752,459</b>	<b>1,155,927</b>	<b>31,908,386</b>
<b>Change in Net Position</b>					<b>20,016,756</b>	<b>8,313,521</b>	<b>28,330,277</b>
<b>Net Position - Beginning of Year</b>					<b>62,468,511</b>	<b>111,024,886</b>	<b>173,493,397</b>
<b>Restatement</b>					<b>(8,547,324)</b>	<b>(4,705,776)</b>	<b>(13,253,100)</b>
<b>Net Position - Beginning of Year, as Restated</b>					<b>53,921,187</b>	<b>106,319,110</b>	<b>160,240,297</b>
<b>Net Position - End of Year</b>					<b>\$ 73,937,943</b>	<b>\$ 114,632,631</b>	<b>\$ 188,570,574</b>

See accompanying Notes to Financial Statements.

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

<b>ASSETS</b>	General	Special Revenue	CRA Fund	Impact Fee Fund	Total
Cash and Pooled Cash, Cash Equivalents, and Investments	\$ 22,099,585	\$ 5,586,502	\$ 2,864,072	\$ 8,002,054	\$ 38,552,213
Receivables (Net of Allowance):					
Accounts Billed	2,300,227	-	-	-	2,300,227
Due from Other Governments	680,176	4,436,993	-	-	5,117,169
Inventories - at Cost	31,290	-	-	-	31,290
Prepaid Items	11,816	-	-	-	11,816
<b>Total Assets</b>	<b>\$ 25,123,094</b>	<b>\$ 10,023,495</b>	<b>\$ 2,864,072</b>	<b>\$ 8,002,054</b>	<b>\$ 46,012,715</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 440,267	\$ 291,827	\$ 18,560	\$ 304,476	\$ 1,055,130
Accrued Liabilities	696,266	-	5,719	-	701,985
Unearned Revenue	-	627,482	-	-	627,482
<b>Total Liabilities</b>	<b>1,136,533</b>	<b>919,309</b>	<b>24,279</b>	<b>304,476</b>	<b>2,384,597</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	1,759,708	-	-	-	1,759,708
<b>Total Deferred Inflows of Resources</b>	<b>1,759,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,759,708</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	31,290	-	-	-	31,290
Prepaid Items	11,816	-	-	-	11,816
Restricted for:					
Community Reinvestment	183,585	-	2,839,793	-	3,023,378
Impact Fee Programs	-	-	-	7,697,578	7,697,578
Infrastructure	-	8,529,067	-	-	8,529,067
Transportation - Fuel Tax	-	575,119	-	-	575,119
Assigned:					
Cemetery Perpetual Care	597,284	-	-	-	597,284
Recreation - ZNHH Reserve	4,007,645	-	-	-	4,007,645
Building Department Reserve	17,413	-	-	-	17,413
Other	192,357	-	-	-	192,357
Unassigned	17,185,463	-	-	-	17,185,463
<b>Total Fund Balances</b>	<b>22,226,853</b>	<b>9,104,186</b>	<b>2,839,793</b>	<b>7,697,578</b>	<b>41,868,410</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 25,123,094</b>	<b>\$ 10,023,495</b>	<b>\$ 2,864,072</b>	<b>\$ 8,002,054</b>	<b>\$ 46,012,715</b>

See accompanying Notes to Financial Statements.

**CITY OF ZEPHYRHILLS, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET TO THE  
STATEMENT OF NET POSITION GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2025**

Fund Balances - Total Governmental Funds \$ 41,868,410

Amounts reported for governmental activities in the Statement of Net Assets are different because:

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

Governmental Capital Assets	\$ 98,079,700	
Less: Accumulated Depreciation	<u>(33,622,917)</u>	64,456,783

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.

Bonds Payable	(4,299,027)	
Accrued Interest	(50,385)	
SBITA Liability	(1,709,052)	
Unfunded Accrued Liability - OPEB	(7,637,084)	
Net Pension Liability	(10,137,398)	
Compensated Absences	<u>(2,077,543)</u>	(25,910,489)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds.

1,759,708

Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.

Deferred Outflows of Resources - Pension Related	3,105,945	
Deferred Inflows of Resources - Pension Related	<u>(2,372,729)</u>	733,216

Deferred outflows and inflows of resources related to OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.

Deferred Outflows of Resources - OPEB Related	6,821,307	
Deferred Inflows of Resources - OPEB Related	<u>(15,790,992)</u>	<u>(8,969,685)</u>

Net Position of Governmental Activities

\$ 73,937,943

See accompanying Notes to Financial Statements.

**CITY OF ZEPHYRHILLS, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2025**

	General	Special Revenue	CRA Fund	Impact Fee Fund	Total
<b>REVENUES</b>					
Taxes	\$ 12,861,785	\$ -	\$ 1,337,786	\$ -	\$ 14,199,571
Licenses and Permits	3,019,274	-	-	-	3,019,274
Intergovernmental Revenue	2,535,463	13,361,619	-	-	15,897,082
Charges for Services	193,751	-	-	-	193,751
Fines and Forfeitures	47,538	-	-	-	47,538
Miscellaneous Revenue	2,112,582	-	-	-	2,112,582
Interest Revenue	822,702	454,206	213,009	325,026	1,814,943
Special Assessments	-	-	-	967,522	967,522
Total Revenues	<u>21,593,095</u>	<u>13,815,825</u>	<u>1,550,795</u>	<u>1,292,548</u>	<u>38,252,263</u>
<b>EXPENDITURES</b>					
Current:					
General Government	4,682,415	70,542	-	-	4,752,957
Public Safety	9,405,513	-	-	10,500	9,416,013
Economic Environment	-	-	343,289	-	343,289
Public Works	3,705,942	-	-	782,905	4,488,847
Library	488,797	-	-	-	488,797
Capital Outlay	520,861	12,879,436	127,741	1,058,204	14,586,242
Debt Service:					
Principal Retirement	45,478	615,306	-	-	660,784
Interest and Fiscal Charges	10,132	208,995	-	-	219,127
Total Expenditures	<u>18,859,138</u>	<u>13,774,279</u>	<u>471,030</u>	<u>1,851,609</u>	<u>34,956,056</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,733,957	41,546	1,079,765	(559,061)	3,296,207
<b>OTHER FINANCING SOURCES (USES)</b>					
SBITA	-	228,316	-	-	228,316
Insurance Recoveries	154,320	-	-	-	154,320
Transfers In	1,992,800	-	-	-	1,992,800
Transfers Out	(18,740)	-	-	-	(18,740)
Total Other Financing Sources (Uses)	<u>2,128,380</u>	<u>228,316</u>	<u>-</u>	<u>-</u>	<u>2,356,696</u>
<b>CHANGE IN FUND BALANCES</b>	4,862,337	269,862	1,079,765	(559,061)	5,652,903
Fund Balances - Beginning of Year	16,764,972	11,962,825	1,760,028	8,256,639	38,744,464
Restatement	599,544	(3,128,501)	-	-	(2,528,957)
Fund Balances - Beginning of Year, as Restated	<u>17,364,516</u>	<u>8,834,324</u>	<u>1,760,028</u>	<u>8,256,639</u>	<u>36,215,507</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 22,226,853</u>	<u>\$ 9,104,186</u>	<u>\$ 2,839,793</u>	<u>\$ 7,697,578</u>	<u>\$ 41,868,410</u>

See accompanying Notes to 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**  
**YEAR ENDED SEPTEMBER 30, 2025**

Net Change in Fund Balance - Total Government Funds		\$ 5,652,903
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p> <p>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.</p>		
Expenditures for Capital Assets	\$ 14,586,242	
Less: Net Disposals and Transfers	(481,159)	
Less: Current Year Depreciation/Amortization	<u>(2,893,870)</u>	11,211,213
<p>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 Position.</p>		
		(228,316)
<p>Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principal Repayments- Bonds	483,490	
Principal Repayments- SBITAs	<u>177,293</u>	660,783
<p>Some revenues reported in the statement of activities will not be collected for several months after the fiscal year and, therefore, are not reported as revenue in the governmental funds.</p>		
Change in Unavailable Revenue - FEMA	256,242	
Change in Unavailable Revenue - Settlement	<u>1,503,466</u>	1,759,708
<p>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.</p>		
Change in Accrued Interest	(50,385)	
Change in Net Pension Liability/ and Related Pension Amounts	1,142,984	
Change in Total OPEB Liability/ and Related OPEB Amounts	376,490	
Change in Compensated Absences	<u>(508,624)</u>	960,465
Change in Net Position of Governmental Activities		<u><u>\$ 20,016,756</u></u>

See accompanying Notes to Financial Statements.

**CITY OF ZEPHYRHILLS, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2025**

<b>ASSETS</b>	<u>Utility Fund</u>	<u>Sanitation Fund</u>	<u>Airport Fund</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash and Investments	11,001,102	\$ 1,512,066	\$ 2,083,961	\$ 14,597,129
Accounts Receivable	2,096,450	360,124	44,613	2,501,187
Less: Allowance for Credit Losses	(518,269)	(49,644)	-	(567,913)
Lease Receivable - Short-Term	-	-	175,242	175,242
Other Prepaid Expense	1,271	-	-	1,271
Inventories of Supplies, at Cost	522,073	-	62,174	584,247
Due from Other Governments	1,127,742	-	1,475,128	2,602,870
Total Current Assets	<u>14,230,369</u>	<u>1,822,546</u>	<u>3,841,118</u>	<u>19,894,033</u>
<b>NONCURRENT ASSETS</b>				
Lease Receivable - Long-Term	-	-	1,536,420	1,536,420
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>1,536,420</u>	<u>1,536,420</u>
<b>RESTRICTED ASSETS</b>				
Cash and Pooled Cash, Cash Equivalents, and Investments:				
Utility Connection Impact Fees	9,445,489	-	-	9,445,489
Utility Deposits	1,865,647	-	-	1,865,647
Total Restricted Assets	<u>11,311,136</u>	<u>-</u>	<u>-</u>	<u>11,311,136</u>
<b>CAPITAL ASSETS</b>				
Property, Plant, Equipment, and Infrastructure	127,598,319	6,104,041	46,352,971	180,055,331
Less: Accumulated Depreciation	(50,916,557)	(2,834,550)	(17,915,715)	(71,666,822)
Total Capital Assets	<u>76,681,762</u>	<u>3,269,491</u>	<u>28,437,256</u>	<u>108,388,509</u>
Total Assets	102,223,267	5,092,037	33,814,794	141,130,098
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred OPEB Outflows	1,616,902	555,810	303,169	2,475,881
Deferred Pension Outflows	458,705	134,084	57,167	649,956
Total Assets and Deferred Outflows of Resources	<u>\$ 104,298,874</u>	<u>\$ 5,781,931</u>	<u>\$ 34,175,130</u>	<u>\$ 144,255,935</u>

See accompanying Notes to Financial Statements.

**CITY OF ZEPHYRHILLS, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (CONTINUED)  
SEPTEMBER 30, 2025**

<b>LIABILITIES</b>	<u>Utility Fund</u>	<u>Sanitation Fund</u>	<u>Airport Fund</u>	<u>Total</u>
<b>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>				
Accounts Payable and Accrued Expenses	\$ 2,842,334	\$ 52,879	\$ 766,409	\$ 3,661,622
Water Capacity Reservation	588,300	-	-	588,300
Current Portion of Compensated Absences Payable	62,716	37,457	39,382	139,555
Current Portion of Notes Payable	<u>2,136,987</u>	<u>20,345</u>	<u>-</u>	<u>2,157,332</u>
Total Current Liabilities Payable from Current Assets	5,630,337	110,681	805,791	6,546,809
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>				
Customer Deposits	1,865,647	-	49,888	1,915,535
Accrued Interest	<u>34,746</u>	<u>-</u>	<u>-</u>	<u>34,746</u>
Total Current Liabilities Payable from Restricted Assets	<u>1,900,393</u>	<u>-</u>	<u>49,888</u>	<u>1,950,281</u>
Total Current Liabilities	7,530,730	110,681	855,679	8,497,090
<b>LONG-TERM LIABILITIES</b>				
Net OPEB Liability	1,810,272	622,281	339,426	2,771,979
Net Pension Liability	1,630,841	471,253	203,642	2,305,736
Compensated Absences Payable, Long-Term Portion	329,263	196,651	206,751	732,665
Bonds and Notes Payable, Long-Term Portion	<u>7,470,669</u>	<u>-</u>	<u>-</u>	<u>7,470,669</u>
Total Long-Term Liabilities	<u>11,241,045</u>	<u>1,290,185</u>	<u>749,819</u>	<u>13,281,049</u>
Total Liabilities	18,771,775	1,400,866	1,605,498	21,778,139
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Inflow of Resources - Leases	-	-	1,559,056	1,559,056
Deferred OPEB Inflows	3,743,050	1,286,673	701,822	5,731,545
Deferred Pension Inflows	<u>392,508</u>	<u>113,015</u>	<u>49,041</u>	<u>554,564</u>
Total Deferred Inflow of Resources	4,135,558	1,399,688	2,309,919	7,845,165
<b>NET POSITION</b>				
Net Investment in Capital Assets	65,229,452	3,249,146	27,730,982	96,209,580
Restricted:				
Extension - Utility Fund	9,445,489	-	-	9,445,489
Unrestricted	<u>6,716,600</u>	<u>(267,769)</u>	<u>2,528,731</u>	<u>8,977,562</u>
Total Net Assets	<u>81,391,541</u>	<u>2,981,377</u>	<u>30,259,713</u>	<u>114,632,631</u>
Total Liabilities and Net Position	<u>\$ 104,298,874</u>	<u>\$ 5,781,931</u>	<u>\$ 34,175,130</u>	<u>\$ 144,255,935</u>

See accompanying Notes to Financial Statements.

**CITY OF ZEPHYRHILLS, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2025**

	Utility Fund	Sanitation Fund	Airport Fund	Total
<b>OPERATING REVENUE</b>				
Charges for Services	\$ 15,728,948	2,713,631	\$ 1,879,806	\$ 20,322,385
Misc Revenue	-	38,957	54,063	93,020
Total Operating Revenue	<u>15,728,948</u>	<u>2,752,588</u>	<u>1,933,869</u>	<u>20,415,405</u>
<b>OPERATING EXPENSES</b>				
Personnel Services	3,009,855	815,002	608,914	4,433,771
Professional Services	3,622,645	33,201	23,909	3,679,755
Operating Supplies	147,674	83,352	6,299	237,325
Property and Casualty Insurance	381,475	84,103	108,568	574,146
Repairs and Maintenance	455,622	257,125	54,706	767,453
Utilities	721,793	2,791	44,865	769,449
Depreciation	3,760,852	382,662	1,371,067	5,514,581
Other Operating Expenses	633,222	267,980	72,781	973,983
Costs of Goods Resold	-	-	807,795	807,795
Total Operating Expenses	<u>12,733,138</u>	<u>1,926,216</u>	<u>3,098,904</u>	<u>17,758,258</u>
<b>OPERATING INCOME (LOSS)</b>	2,995,810	826,372	(1,165,035)	2,657,147
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income	812,662	69,909	165,019	1,047,590
Interest Expense/Bond Refinance	(236,563)	(1,054)	-	(237,617)
Insurance Proceeds	2,137,225	1,957	63,936	2,203,118
Gain (Loss) on Sale of Asset	(120,721)	-	-	(120,721)
Total Nonoperating Revenues (Expenses)	<u>2,592,603</u>	<u>70,812</u>	<u>228,955</u>	<u>2,892,370</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	5,588,413	897,184	(936,080)	5,549,517
Transfers from Other Funds	-	-	285,030	285,030
Transfers to Other Funds	(1,877,650)	(361,440)	(20,000)	(2,259,090)
Capital Grants	3,151,624	-	1,586,440	4,738,064
<b>CHANGE IN NET POSITION</b>	6,862,387	535,744	915,390	8,313,521
Net Assets - Beginning of Year	77,196,940	3,804,293	30,023,653	111,024,886
Restatement	(2,667,786)	(1,358,660)	(679,330)	(4,705,776)
Fund Balances - Beginning of Year, as Restated	<u>74,529,154</u>	<u>2,445,633</u>	<u>29,344,323</u>	<u>106,319,110</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 81,391,541</u>	<u>\$ 2,981,377</u>	<u>\$ 30,259,713</u>	<u>\$ 114,632,631</u>

See accompanying Notes to Financial Statements.

**CITY OF ZEPHYRHILLS, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2025**

	Utility Fund	Sanitation Fund	Airport Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 15,456,077	\$ 2,756,184	\$ 1,760,623	\$ 19,972,884
Cash Paid to Suppliers for Goods and Services	(5,219,414)	(734,394)	(1,164,374)	(7,118,182)
Cash Paid to and for the Benefit of Employees	(2,808,061)	(806,204)	(515,251)	(4,129,516)
Net Cash Provided by Operating Activities	<u>7,428,602</u>	<u>1,215,586</u>	<u>80,998</u>	<u>8,725,186</u>
<b>CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfers Due To/From Other Funds	(1,877,650)	(361,440)	245,171	(1,993,919)
Net Cash Provided by Non Capital and Related Financing Activities	<u>(1,877,650)</u>	<u>(361,440)</u>	<u>245,171</u>	<u>(1,993,919)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interfund Activity - Due To/From	-	-	-	-
Proceeds of Grant/Donations	2,644,412	-	234,175	2,878,587
Payments for Capital Acquisitions	(9,414,381)	(1,335,616)	(1,274,071)	(12,024,068)
Principal Repayments	(1,985,174)	(19,320)	-	(2,004,494)
Proceeds from SFR Loan	429,918	-	-	429,918
Receipts from Leasing Activates	-	-	82,924	82,924
Interest Paid	(236,563)	(1,054)	-	(237,617)
Proceeds from Assets Sold	30,400	-	-	30,400
Net Cash Used by Capital and Related Financing Activities	<u>(8,531,388)</u>	<u>(1,355,990)</u>	<u>(956,972)</u>	<u>(10,844,350)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipt of Interest	812,662	69,909	165,019	1,047,590
Insurance Recoveries	2,137,225	1,957	63,936	2,203,118
Net Cash Provided by Investing Activities	<u>2,949,887</u>	<u>71,866</u>	<u>228,955</u>	<u>3,250,708</u>
<b>NET DECREASE IN CASH</b>	<b>(30,549)</b>	<b>(429,978)</b>	<b>(401,848)</b>	<b>(862,375)</b>
Cash - Beginning of Year	<u>22,342,787</u>	<u>1,942,044</u>	<u>2,485,809</u>	<u>26,770,640</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 22,312,238</u></b>	<b><u>\$ 1,512,066</u></b>	<b><u>\$ 2,083,961</u></b>	<b><u>\$ 25,908,265</u></b>
Reconciliation of Cash and Cash Equivalents to Balance Sheet	\$ 22,312,238	\$ 1,512,066	\$ 2,083,961	\$ 25,908,265
Unrestricted Cash and Pooled Cash, Cash Equivalents, and Investments	11,001,102	1,512,066	2,083,961	14,597,129
Restricted Cash and Pooled Cash, Cash Equivalents, and Investments:				
Utility Impact Fees	9,445,489	-	-	9,445,489
Customer Deposits	1,865,647	-	-	1,865,647
Total	<u>\$ 22,312,238</u>	<u>\$ 1,512,066</u>	<u>\$ 2,083,961</u>	<u>\$ 25,908,265</u>

See accompanying Notes to Financial Statements.

**CITY OF ZEPHYRHILLS, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2025**

	Utility Fund	Sanitation Fund	Airport Fund	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 2,995,810	\$ 826,372	\$ (1,165,035)	\$ 2,657,147
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	3,760,852	382,662	1,371,067	5,514,581
(Increase) Decrease in:				
Accounts Receivable, Net	(305,071)	3,596	(174,433)	(475,908)
Inventories	29,472	-	(14,428)	15,044
Prepays	10,173	-	-	10,173
Increase (Decrease) in:				
Customer Deposits	32,200	-	1,187	33,387
Pension	127,029	(63,417)	(12,492)	51,120
OPEB	(51,949)	(5,516)	58,749	1,284
Accounts Payable - Suppliers	703,372	(5,842)	(31,023)	666,507
Other	-	-	-	-
Accrued Payroll and Compensated Absences	126,714	77,731	47,406	251,851
Total Adjustments	<u>4,432,792</u>	<u>389,214</u>	<u>1,246,033</u>	<u>6,068,039</u>
Net Cash Provided by Operating Activities	<u>\$ 7,428,602</u>	<u>\$ 1,215,586</u>	<u>\$ 80,998</u>	<u>\$ 8,725,186</u>

See accompanying Notes to Financial Statements.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**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). 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.

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. Although the CRA is legally separate, it meets the criteria for blending and is presented as a governmental fund of the primary government. The City and County are obligated to pay the CRA any tax revenues relating to an increase in the assessed value of the property within the redevelopment areas. Separate financial statements for the CRA may be obtained by writing the CRA, 5335 8<sup>th</sup> Street, Zephyrhills, FL 33542.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements**

**Government-Wide Statements**

The government-wide statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and long-term liabilities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Business-type activities include the utilities, sanitation, and airport services.

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.

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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements (Continued)**

**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. Nonmajor 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements (Continued)**

**Proprietary Funds**

The focus of proprietary fund measurement is upon determination of operating income, changes in net financial position, and cash flows. 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 nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating 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 nonexchange 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

**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.

**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.

**CITY OF ZEPHYRHILLS, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 meets all of the necessary criteria to elect to measure all of the investments in Florida Prime at amortized cost, as a cash equivalent. (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.

**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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond September 30, 2025, 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, 2025, 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 City, 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% pe/r 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**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:

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

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, 2025. 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.

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.

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**1. Net Investment in Capital Assets**

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.

**2. 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.

**3. 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, and 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.

**1. 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balances (Continued)**

**2. 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.

**3. 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.

**4. 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.

**5. 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**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**

At September 30, 2025, the bank balances of the City's deposits totaled \$3,642,465.

The following is a reconciliation of deposits and investments to amounts shown on the statement of net position as of September 30, 2025:

Deposits	\$ 3,749,608
Cash on Hand	950
Investments	60,709,920
Total	<u>\$ 64,460,478</u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 53,149,342
Restricted Cash and Cash Equivalents	11,311,136
Total	<u>\$ 64,460,478</u>

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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 2 CASH AND POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

Equity in pooled cash and investments by fund are:

Fund	Deposit Type	Amount
General Fund	Unrestricted	\$ 22,099,585
Special Revenue Fund	Unrestricted	5,586,502
CRA Fund	Unrestricted	2,864,072
Impact Fee Fund	Unrestricted	8,002,054
Utility Fund	Unrestricted	11,001,102
Utility Fund	Restricted	11,311,136
Sanitation Fund	Unrestricted	1,512,066
Airport Fund	Unrestricted	2,083,961
Total Pooled Cash and Investments		<u>\$ 64,460,478</u>

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.
- 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)

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 2 CASH AND POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

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

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

All deposit accounts of the City are placed in banks that qualify as a public depository, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes). Chapter 280 of the Florida Statutes provides that qualified public depositories must maintain eligible collateral having a market value equal to 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the 12 months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the City's name, nor specify which collateral is held for the City's benefit.

The Public Deposit Security Trust Fund, as created under the laws of the state of Florida, would be required to pay the City for any deposits not covered by depository insurance or collateral pledged by the depository as previously described. Florida Statutes and the City's investment policy authorize the City to use interest bearing time deposit, savings accounts, and money market accounts in qualified public depositories. All deposits are entirely insured or collateralized pursuant to Florida's public deposits program.

**Investments in Local Government Investment Pools**

The City invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2025, Florida PRIME contained certain floating and adjustable-rate securities which were indexed based on the prime rate and/or one- and three-month LIBOR rates. These investments represented 18.20% of the Florida PRIME's portfolio at September 30, 2025.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, which approximates fair value.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2025 was 47 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2025 was 73 days. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's. On September 30, 2025, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 2 CASH AND POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Investments in Local Government Investment Pools (Continued)**

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

The City’s investment pool also includes the Florida Surplus Asset Fund Trust (Florida SAFE Investment Pool) is a common law trust organized in 2007 under the laws of the state of Florida. The trust is administered by Prudent Man Advisors, Inc. and an elected five-member Board of Trustees that oversees all actions and decides on general policies. The trust includes a liquid money market-like investment called the “FL SAFE Fund” and one or more Term Series portfolios that have a fixed duration. Participants in the trust may invest in the Fund and any Term Series portfolios and in a value-added program called the “Fixed Income Investment Program,” through which the participants may purchase investments for their own portfolio. The Fund is accounted as a Stable Net Position Value investment pool.

As of September 30, 2025, FL SAFE investment pool weighted average maturity in days was 38 days. Florida SAFE meets all of the necessary criteria to elect to measure all of the investments in Florida SAFE at amortized cost, which approximates fair value.

As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 2 CASH AND POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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. As of September 30, 2025, Investments and related level of risk were as follows:

<u>Deposit/Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity (In Years)</u>	
		<u>Less than 1 Year</u>	<u>5+ Year</u>
Florida Prime - Account 1	\$ 1,642,584	\$ 1,642,584	\$ -
Florida Prime - Account 2	29,997,705	\$ 29,997,705	-
FL SAFE	29,069,631	\$ 29,069,631	-
Total	<u>\$ 60,709,920</u>	<u>\$ 60,709,920</u>	<u>\$ -</u>

**Credit Risk**

Credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City diversifies its investments by security type and institution and limits holdings in any type of investment with any one issuer. The City's investment policy minimizes credit risk by limiting the maximum percentage that may be invested in any one entity or instrument at any one time.

Presented below is the actual rating as of September 30, 2025 for each type of investment in securities.

<u>Investment Type</u>	<u>S&amp;P/Moody's Rating</u>	<u>Fair Value</u>
SBA Florida PRIME	AAAm	\$ 31,640,289
PMA Florida SAFE	AAAm	29,069,631
Total		<u>\$ 60,709,920</u>

The City follows the guidelines of Florida Statute 218.415, which allows certain types of investments. The City's investment policy allows investment in government-sponsored agencies such as investment pools, tax-exempt municipal bonds, direct obligations, and bonds guaranteed by the U.S. government, with a minimum AA rating by Standard and Poor's.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 2 CASH AND POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk**

Assets are to be diversified to control the risk of loss resulting from concentration of assets in a specific maturity, issue, instruments, deals, or bank through which the investments are bought and sold.

No investments in any one issuer exceeds 5% of the total investments.

**Foreign Currency Risk**

The City is not exposed to any foreign currency risk.

**NOTE 3 RECEIVABLES**

The receivables and related allowances for uncollectibles at September 30, 2025 were as follows:

	Governmental	Business-Type Activities			Total
	Activities		Solid		
	General	Utility	Waste	Airport	
Utility and Franchise Taxes	\$ 475,469	\$ -	\$ -	\$ -	\$ 475,469
Customer Charges	43,246	1,915,934	360,124	44,613	2,363,917
Settlement	1,780,730	-	-	-	1,780,730
Miscellaneous	782	180,516	-	-	181,298
Gross Receivables	2,300,227	2,096,450	360,124	44,613	4,801,414
Allowance for Doubtful Accounts	-	(518,269)	(49,644)	-	(567,913)
Total	<u>\$ 2,300,227</u>	<u>\$ 1,578,181</u>	<u>\$ 310,480</u>	<u>\$ 44,613</u>	<u>\$ 4,233,501</u>

**Settlement Receivable**

During the fiscal year ended September 30, 2025, the City was awarded proceeds in connection with a legal settlement. The settlement represents compensation for costs associated with remediation and monitoring activities, and amounts were recognized in accordance with applicable GASB guidance. Funds received are restricted for use in accordance with the settlement terms, and support the City's ongoing efforts to maintain compliance with federal and state regulatory requirements.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 4 UNEARNED REVENUE**

The City reports unearned revenue for resources received in advance of the period in which the related services are provided or exchange transaction obligations are satisfied. At September 30, 2025, unearned revenue in the special revenue fund totaled \$627,482 consisting of Coronavirus State and Local Fiscal Recovery Funds (SLFRF) funds remaining that had been received but not yet expended for eligible purposes.

**NOTE 5 CAPITAL ASSETS**

Governmental activities' capital asset activity for the fiscal year ending September 30, 2025, was as follows:

	*Balance Beginning 10/1/2024	Additions	Deletions	Transfers In/ Transfers Out	Ending Balance 9/30/2025
<b>Governmental Activities:</b>					
Capital Assets Not Being Depreciated:					
Land and Improvements	\$ 4,296,979	\$ 80,790	\$ -	\$ -	\$ 4,377,769
Construction in Progress*	6,571,947	3,608,655	-	(6,162,127)	4,018,475
Total Capital Assets Not Being Depreciated	10,868,926	3,689,445	-	(6,162,127)	8,396,244
Capital Assets Being Depreciated / Amortized:					
Buildings and Improvements	22,471,439	163,402	-	20,992	22,655,833
Improvements Other than Buildings	9,077,087	3,360	(90,343)	343,871	9,333,975
Equipment	11,133,472	1,698,851	(796,148)	34,844	12,071,019
Infrastructure	28,866,507	8,802,868	-	5,754,061	43,423,436
Subscription Assets	2,247,363	228,316	(276,486)	-	2,199,193
Total Capital Assets Being Depreciated	73,795,868	10,896,797	(1,162,977)	6,153,768	89,683,456
Less Accumulated Depreciation / Amortization for:					
Buildings and Improvements	6,990,733	807,111	(18,848)	-	7,778,996
Improvements Other than Buildings	4,446,137	215,780	(254,442)	-	4,407,475
Equipment	5,122,139	714,635	(398,310)	(18,577)	5,419,887
Infrastructure	14,407,581	1,027,194	-	-	15,434,775
Subscription Asset	452,634	129,150	-	-	581,784
Total Accumulated Depreciation	31,419,224	2,893,870	(671,600)	(18,577)	33,622,917
Governmental Activities Capital Assets, Net	<u>\$ 53,245,570</u>	<u>\$ 11,692,372</u>	<u>\$ (491,377)</u>	<u>\$ 10,218</u>	<u>\$ 64,456,783</u>

\*Beginning Balance Restated, See Note 15

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 City will reimburse the County the assessed market value for the assets to be paid in the form of credits against future payments for services.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

Depreciation was charged to the governmental activities as follows:

General Government:	
Administration	\$ 7,585
Other General Government	305,377
Total General Government	312,962
Public Safety:	
Fire Department	-
Police Department	648,869
Protective Inspection	20,093
Total Public Safety	668,962
Public Works:	
Streets	1,248,005
Equipment Maintenance	24,159
Parks and Facility Management	550,400
Total Public Works	1,822,564
Culture and Recreation:	
Library	89,382
Total Culture and Recreation	89,382
Total	\$ 2,893,870

Business-type activities' capital asset activity for the fiscal year ending September 30, 2025, was as follows:

	*Balance Beginning 10/1/2024	Additions	Deletions	Transfers In/ Transfers Out	Ending Balance 9/30/2025
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land and Improvements	\$ 2,864,000	\$ -	\$ -	\$ -	\$ 2,864,000
Construction in Progress	5,937,839	11,148,828	-	(1,267,260)	15,819,407
Total Capital Assets Not Being Depreciated	8,801,839	11,148,828	-	(1,267,260)	18,683,407
Capital Assets Being Depreciated:					
Buildings and Improvements	46,029,769	175,232	-	-	46,205,001
Equipment	9,260,970	1,670,752	(990,633)	181,390	10,122,479
Infrastructure*	102,945,389	1,004,826	-	1,094,229	105,044,444
Total Capital Assets Being Depreciated	158,236,128	2,850,810	(990,633)	1,275,619	161,371,924
Less Accumulated Depreciation for:					
Buildings and Improvements	16,380,414	1,409,303	-	-	17,789,717
Equipment	4,201,266	811,120	(869,587)	18,577	4,161,376
Infrastructure	46,421,571	3,294,158	-	-	49,715,729
Total Accumulated Depreciation	67,003,251	5,514,581	(869,587)	18,577	71,666,822
Business-Type Activities Capital Assets, Net	\$ 100,034,716	\$ 8,485,057	\$ (121,046)	\$ (10,218)	\$ 108,388,509

**CITY OF ZEPHYRHILLS, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 6 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 leases certain airport facilities, land, hangars, and related property to various tenants under noncancelable lease agreements with varying terms extending through fiscal year 2049. In accordance with GASB Statement No. 87, the City recognizes lease receivables and related deferred inflows of resources for applicable lease arrangements. Lease revenue is recognized in a systematic and rational manner over the lease terms, and interest revenue is recognized on the outstanding lease receivables. Certain agreements may include variable payments, renewal options, or termination provisions; however, amounts related to variable payments and optional periods are excluded from the measurement of the lease receivable unless the payments are fixed in substance or the applicable options are reasonably certain of being exercised.

The City recorded an initial lease receivable of \$2,145,109 during fiscal year 2023. The ending lease receivable balance at September 30, 2025 was \$1,711,662. During the year ended September 30, 2025, the City recognized \$215,995 and \$61,447 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 6 LEASES (CONTINUED)**

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 175,242	\$ 54,920	\$ 230,162
2027	168,387	49,050	217,437
2028	164,990	43,272	208,262
2029	168,307	37,470	205,777
2030	168,930	31,543	200,473
2031 - 2035	474,871	96,617	571,488
2036 - 2040	277,342	34,543	311,885
2041 - 2045	83,720	11,695	95,415
2046 - 2050	29,873	965	30,838
Total Lease Receivable	<u>\$ 1,711,662</u>	<u>\$ 360,075</u>	<u>\$ 2,071,737</u>

**NOTE 7 LONG TERM LIABILITIES**

Long-term liability activity for the governmental activities for the year ended September 30, 2025 consisted of the following:

	<u>Balance Beginning 10/1/2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 9/30/2025</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>Notes and Leases Payable:</b>					
Bond Payable, JP Morgan Chase Bank, N.A. (City Hall Project)	\$ 4,782,517	\$ -	\$ (483,490)	\$ 4,299,027	\$ 494,823
Total Notes and Leases Payable	4,782,517	-	(483,490)	4,299,027	494,823
<b>Other Liabilities:</b>					
SBITAs	1,658,029	228,316	(177,293)	1,709,052	205,651
Compensated Absences*	1,595,895	481,648	-	2,077,543	519,386
	<u>3,253,924</u>	<u>709,964</u>	<u>(177,293)</u>	<u>3,786,595</u>	<u>725,037</u>
Total Long-Term Liabilities Governmental Activities	<u>\$ 8,036,441</u>	<u>\$ 709,964</u>	<u>\$ (660,783)</u>	<u>\$ 8,085,622</u>	<u>\$ 1,219,860</u>

\*Compensated Absences is reported as a net change

Long-term liabilities of the governmental activities, which include compensated absences, are generally liquidated by the General Fund.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

Long-term liability activity for the business-type activities for the year ended September 30, 2025 consisted of the following:

	Balance Beginning 10/1/2024	Increases	Decreases	Ending Balance 9/30/2025	Amounts Due Within One Year
<b>Business-Type Activities:</b>					
Bonds Payable, BB&T Series	\$ 1,436,120	\$ -	\$ (710,205)	\$ 725,915	\$ 725,915
Total Bonds Payable	1,436,120	-	(710,205)	725,915	725,915
EPA Loan to Utility Fund (SRF)	9,766,457	429,918	(1,294,289)	8,902,086	1,431,417
Total Bonds and Notes Payable	11,202,577	429,918	(2,004,494)	9,628,001	2,157,332
<b>Other Liabilities:</b>					
Compensated Absences*	738,534	133,686	-	872,220	139,555
Total Long-Term Liabilities Business-Type Activities	<u>\$ 11,941,111</u>	<u>\$ 563,604</u>	<u>\$ (2,004,494)</u>	<u>\$ 10,500,221</u>	<u>\$ 2,296,887</u>

\*Compensated Absences is reported as a net change

**NOTE 8 SUBSCRIPTION LIABILITIES**

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 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 SUBSCRIPTION LIABILITIES (CONTINUED)**

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 205,651	\$ 102,249	\$ 307,900
2027	223,606	87,213	310,819
2028	175,688	73,822	249,510
2029	187,929	61,581	249,510
2030	201,037	48,473	249,510
2031 - 2035	715,141	57,418	772,559
Total	<u>\$ 1,709,052</u>	<u>\$ 430,756</u>	<u>\$ 2,139,808</u>

**NOTE 9 LONG-TERM DEBT**

**Infrastructure Sales Surtax Revenue Bond**

City of Zephyrhills, Florida 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 \$589 thousand. 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, 2025, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 494,823	\$ 94,970
2027	506,422	83,235
2028	518,292	71,226
2029	530,441	58,934
2030	542,875	46,355
2031-2035	1,706,174	60,607
Total	<u>\$ 4,299,027</u>	<u>\$ 415,327</u>

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 9 LONG-TERM DEBT (CONTINUED)**

**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%. 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 \$429,918 in the current year. The loan provides for 0% interest.

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

The following repayment schedule is based on funds draw down as of September 30, 2025.

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest Amount</u>	<u>Total EPA Loan Service Requirement</u>
2026	\$ 1,431,417	0% - 2.12%	\$ 65,301	\$ 1,496,718
2027	1,434,387	0% - 2.12%	41,987	1,476,374
2028	1,458,199	0% - 2.12%	18,175	1,476,374
2029	317,113	0.00%	-	317,113
2030	317,113	0.00%	-	317,113
2031	317,113	0.00%	-	317,113
2032	317,113	0.00%	-	317,113
2033	317,113	0.00%	-	317,113
2034	317,113	0.00%	-	317,113
2035	317,113	0.00%	-	317,113
2036	317,113	0.00%	-	317,113
2037	317,113	0.00%	-	317,113
2038	317,113	0.00%	-	317,113
2039	317,113	0.00%	-	317,113
2040	317,113	0.00%	-	317,113
2041 - 2045	772,727	0.00%	-	772,727
Total	<u>\$ 8,902,086</u>		<u>\$ 125,463</u>	<u>\$ 9,027,549</u>

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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 9 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:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest Amount</u>	<u>Total BB&amp;T Loan Service Requirement</u>
2026	\$ 725,915	2.20%	\$ 11,995	\$ 737,910
Total	<u>\$ 725,915</u>		<u>\$ 11,995</u>	<u>\$ 737,910</u>

Total annual business activities debt service requirements – excluding compensated absences:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,157,332	\$ 77,296	\$ 2,234,628
2027	1,434,387	41,987	1,476,374
2028	1,458,199	18,175	1,476,374
2029	317,113	-	317,113
2030	317,113	-	317,113
2031 - 2035	1,585,565	-	1,585,565
2036 - 2040	1,585,565	-	1,585,565
2041-2045	772,727	-	772,727
Total	<u>\$ 9,628,001</u>	<u>\$ 137,458</u>	<u>\$ 9,765,459</u>

The City is in compliance with all significant debt requirements.

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION**

**Background**

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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION (CONTINUED)**

**Background (Continued)**

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. An annual comprehensive 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' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**Florida Retirement System Pension Plan**

**Plan Description**

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.
- *Elected City Officers Class* – Members who hold specified elective offices in local government.
- *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 six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight 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 four 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Plan Description**

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.

**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 member's five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the member's eight 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:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<b>Regular Class Members Initially Enrolled Before July 1, 2011</b>	
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
<b>Regular Class Members Initially Enrolled on or After July 1, 2011</b>	
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

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Benefits Provided (Continued)**

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.

**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 employer contribution rates by job class for the periods from October 1, 2024, through June 30, 2025, and from July 1, 2025, through September 30, 2025, respectively, were as follows: Regular employees 13.63% and 14.03%; Special Risk employees 32.79% and 35.19%; City Elected Officials 58.68% and 54.57%; Senior Management Services 34.52% and 33.24%; and DROP participants 21.13% and 22.02%. The City's contributions to the FRS Plan were \$1,908,606 for the year ended September 30, 2025.

**Pension Costs**

At September 30, 2025, the City reported a liability of \$9,537,349 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. 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, 2024, through June 30, 2025, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2025, the City's proportion was 0.030730874%, which was an increase of 0.002531515% from its proportion measured as of June 30, 2024.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Pension Costs (Continued)**

For the year ended September 30, 2025, the City recognized pension expense of \$664,433 for its proportionate share of the FRS Plan's pension expense. In addition, the City reported its proportionate share of the FRS Plan'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	\$ 1,018,691	\$ -
Changes in Actuarial Assumptions	1,107,536	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,592,360
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	846,077	505,309
City Contributions Subsequent to the Measurement Date	460,420	-
Total	<u>\$ 3,432,724</u>	<u>\$ 2,097,669</u>

An amount of \$460,420 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, 2026. 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:

<u>Year Ending September 30,</u>	<u>Amount</u>
2026	\$ 1,340,012
2027	(97,587)
2028	(179,316)
2029	(188,474)
2030	-
Thereafter	-

**Actuarial Assumptions**

The total pension liability in the July 1, 2025, 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

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Actuarial Assumptions (Continued)**

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions used in the July 1, 2025, valuation for the June 30, 2025, measurement date were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

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	1.0 %	3.2 %	3.2 %	1.1 %
Fixed Income	29.0	5.5 %	5.4 %	4.0 %
Global Equity	45.0	8.5 %	6.9 %	18.3 %
Real Estate (Property)	12.0	8.4 %	7.1 %	16.8 %
Private Equity	11.0	12.4 %	8.8 %	28.4 %
Strategic Investments	2.0	6.5 %	6.1 %	8.7 %
Total	<u>100.0 %</u>			
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, which was no change from the rate as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION (CONTINUED)**

**Florida Retirement System Pension Plan (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:

	1% Decrease 5.70%	Discount Rate 6.70%	1% Increase 7.70%
City's Proportionate Share of the Pension Plan Net Pension Liability (Asset)	\$ 18,716,936	\$ 9,537,349	\$ 1,841,350

**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 Retiree 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**

Eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION (CONTINUED)**

**Health Insurance Subsidy Program (HIS)**

**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, 2025, the contribution rate was 2.00% of payroll pursuant to Section 112.363, *Florida Statutes*. The City contributed 100% of its statutorily required contributions for the current and preceding three 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 \$207,886 for the year ended September 30, 2025.

**Pension Costs**

At September 30, 2025, the City reported a liability of \$2,905,785 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024, and update procedures were used to determine liabilities as of July 1, 2025. 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, 2024, through June 30, 2025, relative to the total employer contributions received from all participating employers. At June 30, 2025, the City's proportion was 0.022670552%, which is an increase of 0.001620035% from its proportion measured as of June 30, 2024.

For the year ended September 30, 2025, the City recognized pension expense of \$40,225 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	\$ 17,346	\$ 4,609
Changes in Actuarial Assumptions	25,719	702,835
Net Difference Between Projected and Actual Earnings on HIS Program Investments	-	2,419
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	231,594	119,761
City Contributions Subsequent to the Measurement Date	48,518	-
Total	<u>\$ 323,177</u>	<u>\$ 829,624</u>

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION (CONTINUED)**

**Health Insurance Subsidy Program (HIS) (Continued)**

**Pension Costs (Continued)**

An amount of \$48,518 reported as deferred outflows of resources related to pensions resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. 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:

<u>Year Ending September 30,</u>	<u>Amount</u>
2026	\$ (159,755)
2027	(166,505)
2028	(111,934)
2029	(76,005)
2030	(40,766)
Thereafter	-

**Actuarial Assumptions**

The total pension liability in the July 1, 2024, actuarial valuation for the June 30, 2025, measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.50%, Average, Including Inflation
Municipal Bond Rate	5.20%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021. The actuarial assumptions used in the July 1, 2024, valuation for the June 30, 2025, measurement date were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

**Discount Rate**

The discount rate used to measure the total pension liability was 5.20% for the HIS Plan, which was a 1.27% increase from the 3.93% rate as of June 30, 2024. 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2025**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION (CONTINUED)**

**Health Insurance Subsidy Program (HIS) (Continued)**

**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:

	1% Decrease 4.20%	Discount Rate 5.20%	1% Increase 6.20%
City's Proportionate Share of the HIS Plan Net Pension Liability	\$ 3,276,741	\$ 2,905,785	\$ 2,594,672

**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 11 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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS**

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, 2025, was \$224,610. 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 Postemployment Benefits (OPEB), the City has had an actuarial calculation completed to determine the future funding requirements of these benefits. The actuary's 2024 valuation (calculated as of September 30, 2024) 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 7.75% and a Post-Medicare cost of 6.75%, 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.

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, 2025, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving	34
Benefits	169
Active Employees	<u>169</u>
Total	<u><u>203</u></u>

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Total OPEB Liability and Changes in Total OPEB Liability**

The measurement date for the City's total OPEB liability was September 30, 2025. The measurement period for OPEB cost was October 1, 2024 to September 30, 2025. The components of the City's net OPEB liability are as follows:

Total OPEB Liability	\$ 10,409,063
OPEB Plan Fiduciary Net Position	-
City's Net OPEB Liability	<u>\$ 10,409,063</u>

OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
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The components of the changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at September 30, 2024	\$ 11,215,677
Changes for the Year:	
Service Cost	742,268
Interest	450,267
Difference Between Expected and Actual Experience	
Change of Assumptions and Other Inputs	(1,719,320)
Benefit Payments	<u>(279,829)</u>
Net Changes	<u>(806,614)</u>
Balances at September 30, 2025	<u>\$ 10,409,063</u>

Schedule of deferred inflows/outflows:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 15,667,436
Changes in Assumptions/Inputs	9,297,188	5,855,101
Net Difference Between Projected and Actual Investments	-	-
Total	<u>\$ 9,297,188</u>	<u>\$ 21,522,537</u>

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Total OPEB Liability and Changes in Total OPEB Liability (Continued)**

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2026	\$ (967,925)
2027	\$ (967,925)
2028	\$ (967,925)
2029	\$ (967,925)
2030	(911,731)
Thereafter	(7,441,918)

**Actuarial Assumptions and OPEB Liability Sensitivity to Healthcare Trend Rate**

The total OPEB liability reported at September 30, 2025 was based on an actuarial valuation dated September 30, 2024, using the following actuarial assumptions:

Inflation	2.5% per annum
Discount Rate	4.9% per annum
Salary Increases	3.5% per annum
Mortality Rates	PUB-2010, using Scale MP-2021
Healthcare Trend Rate	Trend starting at 7.75% with 0.31% decrease per year for ten years and 0.010% after 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	\$ 8,806,000	\$ 10,409,000	\$ 12,459,000

**Discount Rate and OPEB Liability Sensitivity to Discount Rate**

The discount rate used to measure the total OPEB liability reported as of September 30, 2025 was 4.90%.

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 3.90%	Current Trend Rate 4.90%	1% Increase 5.90%
Total OPEB Liability	\$ 12,100,000	\$ 10,409,000	\$ 9,047,000

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 13 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 14 CONTINGENCIES AND COMMITMENTS**

**Grant Programs**

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.

**Litigation**

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.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 14 CONTINGENCIES AND COMMITMENTS (CONTINUED)**

**Large Contractual Commitments**

The City has contractual commitments at September 30, 2025, for the following:

Project:	Contract Total	Expended to Date	Commitment
<b>Governmental Activities:</b>			
South Ave Extension	\$ 2,497,531	\$ 1,438,704	\$ 1,058,827
City Yard Complex	1,953,324	899,564	1,053,760
Council Dias Upgrade	134,942	123,873	11,069
City Wide Signs	51,000	49,188	1,812
Zephyr Park Design	1,031,945	365,418	666,527
Intersection Improvements - Daughtery/Green	119,402	69,666	49,736
Intersection Improvements - US 301 & Geiger Rd	128,211	104,945	23,266
Intersection Improvements - Eiland/Fort King Hwy	125,242	109,567	15,675
Intersection Improvements - US 301 & Pretty Pond	169,787	123,262	46,525
Intersection Improvements - North Ave & 8th Street	101,013	62,112	38,901
Intersection Improvements - US 301/Daughtery/Copeland	224,800	162,473	62,327
5th Ave Feasibility Design Plan	110,509	3,438	107,071
6th Avenue Sidewalk	49,900	25,680	24,220
Clock Tower Plaza Rehabilitation	22,450	10,450	12,000
Stormwater Pump Station Rehab - Meadowood	406,486	329,253	77,233
New Playground Equip - Train Depot Park	837,095	11,877	825,218
Dairy Road Extension	40,567	28,834	11,733
Sidewalk 3rd Ave/Veteran's Park/Tangerine	8,800	8,800	-
Total Governmental Activities	<u>\$ 8,013,004</u>	<u>\$ 3,927,104</u>	<u>\$ 4,085,900</u>
<b>Business-Type Activities</b>			
Alston to Ticker Water Line Extension	\$ 76,651	\$ 63,141	\$ 13,510
UB Space Assessment	5,000	5,000	-
Cityworks and Tyler ERP Integration	114,412	13,334	101,078
(10) Generators for Lift Stations	1,149,178	13,185	1,135,993
Abbott Square Reclaimed Interconnect	2,398,409	1,145,125	1,253,284
South 301 Redevelopment	1,366,107	1,168,948	197,159
Kossik and Fort King Water/WW	2,511,988	2,431,769	80,219
Wastewater Treatment Plant Canopy	144,118	129,706	14,412
Wastewater Treatment Ferrate Treatment Pilot Test	240,000	60,676	179,324
Wastewater Equalization Basin	344,154	250,286	93,868
Palm Grove Drive	622,781	585,777	37,004
Hidden River Lift Station Conversion	310,958	108,000	202,958
Effluent Pump Station	2,633,102	1,998,549	634,553
Northside Lift Station and Force Main	5,222,849	4,869,847	353,002
Taxiway F Design and Bid	2,933,897	1,675,397	1,258,500
Runway 1-19 Rehabilitation	4,084,258	387,944	3,696,314
Taxiway E, Taxiplanes, Apron Pavement Rehabilitation	841,982	100,027	741,955
Box Hangars	4,654,122	32,893	4,621,229
Total Proprietary Activities	<u>\$ 29,653,966</u>	<u>\$ 15,039,604</u>	<u>\$ 14,614,362</u>

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 15 TRANSFERS**

Transfers for the year ended September 30, 2025, consisted of the following:

Transfers to the General fund from the:

Utility Fund	\$ 1,642,800
Sanitation Fund	330,000
Airport Fund	<u>20,000</u>
Total Transfers to the General Fund	<u>1,992,800</u>

Transfers to the Airport fund from the:

General Fund	18,740
Utility Fund	234,850
Sanitation Fund	<u>31,440</u>
	<u>285,030</u>

Total	<u><u>\$ 2,277,830</u></u>
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**NOTE 16 RESTATEMENT OF PRIOR PERIOD**

**Correction of Errors in Previously Issued Financial Statements**

The City restated beginning fund balance and net position to correct certain prior period errors and omissions. The restatement includes:

- Recognition of other postemployment benefit (OPEB) deferred inflows of resources and deferred outflows of resources and allocation of related OPEB balances to proprietary funds that participate in the plan, in accordance with GASB Statement No. 75
- Recording of a prior year capital asset contribution within the utility fund
- Recognition of retainage amounts in a special revenue fund
- Adjustment of intergovernmental revenues in the general and special revenue funds to reflect proper timing of revenue recognition based on eligibility requirements and availability in accordance with GASB Statement No. 33
- Reclassification of compensated absences from the general fund to the government-wide financial statements, consistent with GASB Statement No. 34, as such long-term liabilities are not reported at the governmental fund level

**CITY OF ZEPHYRHILLS, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 16 RESTATEMENT OF PRIOR PERIOD (CONTINUED)**

**Correction of Errors in Previously Issued Financial (Continued)**

Other Postemployment Benefits (OPEB)

The City determined that OPEB-related deferred inflows of resources and deferred outflows of resources were not reported in the prior year. Additionally, the net OPEB liability was not allocated to the business-type activities and proprietary funds that participate in the plan. The financial statement line items affected are: deferred outflows of resources — OPEB, deferred inflows of resources — OPEB, and net OPEB liability.

In the governmental activities, deferred outflows of resources were understated by \$7.86 million, deferred inflows of resources were understated by \$16.45 million, and the net OPEB liability was overstated by \$2.82 million. The correction of these errors resulted in a decrease of \$5.77 million in the beginning net position.

In the business-type activities, deferred outflows of resources were understated by \$2.64 million, deferred inflows of resources were understated by \$5.53 million, and the net OPEB liability was understated by \$2.82 million. The correction of these errors resulted in a decrease of \$5.71 million in the beginning net position.

At the fund level:

- Utility Fund — Deferred outflows of resources were understated by \$1.70 million, deferred inflows of resources were understated by \$3.55 million, and the net OPEB liability was understated by \$1.81 million, resulting in a decrease of \$3.66 million in the beginning fund net position.
- Sanitation Fund — Deferred outflows of resources were understated by \$0.63 million, deferred inflows of resources were understated by \$1.32 million, and the net OPEB liability was understated by \$0.67 million, resulting in a decrease of \$1.36 million in the fiscal year 2024 change in fund net position.
- Airport Fund — Deferred outflows of resources were understated by \$0.31 million, deferred inflows of resources were understated by \$0.66 million, and the net OPEB liability was understated by \$0.34 million, resulting in a decrease of \$0.68 million in the beginning fund net position.

Developer-Contributed Infrastructure and Related Note Receivable

The City determined that infrastructure assets contributed by a private developer in the prior year were not reported. The developer also executed a note agreeing to reimburse the City for initial lift station repairs required for code compliance. For the fiscal year ended September 30, 2024, business-type activities and Utility Fund capital assets, net of depreciation, were understated by \$851,000, and notes receivable were understated by \$150,000. Capital contributions were understated by \$1.00 million, resulting in an increase of \$1.00 million in the beginning in net position of business-type activities and Utility Fund.

**CITY OF ZEPHYRHILLS, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 16 RESTATEMENT OF PRIOR PERIOD (CONTINUED)**

**Correction of Errors in Previously Issued Financial (Continued)**

Capital Project Retainage

The City determined that retainage payable was not recorded for capital projects in process at year-end. In the special revenue fund, accounts payable were understated by \$148 thousand and capital outlay expenditures were understated by \$148 thousand, resulting in a decrease of \$148 thousand in the beginning fund balance.

Intergovernmental Revenue

The City determined that Coronavirus State and Local Fiscal Recovery Funds (ARPA) revenue was incorrectly recognized in the prior year. The funds had been received in advance but the eligibility requirements had not yet been met; therefore, the revenue should have been reported as unearned. In the special revenue fund, unearned revenue was understated by \$3.28 million for the year ended September 30, 2024, resulting in a decrease of \$3.28 million in beginning fund balance.

The City determined that derived tax revenue collected by the Florida Department of Revenue and remitted to the City approximately two months after the underlying receipt occurs was not accrued at year-end. For the fiscal year ended September 30, 2024:

- In the special revenue fund, accounts receivable and intergovernmental revenue were understated by \$295 thousand, resulting in an increase of \$295 thousand in the beginning fund balance.
- In the general fund, accounts receivable and intergovernmental revenue were understated by \$200 thousand, resulting in an increase of \$200 thousand in the fiscal year 2024 change in fund balance.

The net effect of these corrections on the special revenue fund was a decrease of \$2.98 million in the beginning fund balance. In the governmental activities, accounts receivable were understated by \$495 thousand and unearned revenue was understated by \$3.28 million, resulting in a decrease of \$2.78 million in the beginning net position.

Compensated Absences

The City determined that the current portion of compensated absences accrued in the general fund at September 30, 2024, was incorrectly reported. As a result, accrued liabilities in the general fund were overstated by \$398 thousand for the year ended September 30, 2024, resulting in an increase of \$398 thousand in the beginning fund balance.

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 16 RESTATEMENT OF PRIOR PERIOD (CONTINUED)**

**Correction of Errors in Previously Issued Financial (Continued)**

Opening fund balance and net position balances as of October 1, 2024 were restated to correct the errors mentioned above as follows:

	Cumulative Effect of the Restatement Due to Correction of Errors:						October 1, 2024, As Adjusted or Restated
	October 1, 2024, As Previously Reported	OPEB	Contributions	Retainage	Intergovernmental Revenue	Compensated Absences	
<b>Government-Wide:</b>							
Governmental Activities	\$ 62,468,511	\$ (5,767,582)	\$ -	\$ -	\$ (2,779,742)	\$ -	\$ 53,921,187
Business-Type Activities	111,024,886	(5,706,372)	1,000,596	-	-	-	106,319,110
Total Primary Government	<u>173,493,397</u>	<u>(11,473,954)</u>	<u>1,000,596</u>	<u>\$ -</u>	<u>(2,779,742)</u>	<u>\$ -</u>	<u>160,240,297</u>
<b>Governmental Funds:</b>							
Major Funds:							
General Fund	\$ 16,764,972	\$ -	\$ -	\$ -	\$ 200,570	\$ 398,974	\$ 17,364,516
Special Revenue Fund	11,962,825	-	-	(148,189)	(2,980,312)	-	8,834,324
CRA	1,760,028	-	-	-	-	-	1,760,028
Impact Fee	8,256,639	-	-	-	-	-	8,256,639
Total Governmental Funds	<u>38,744,464</u>	<u>-</u>	<u>-</u>	<u>(148,189)</u>	<u>(2,779,742)</u>	<u>398,974</u>	<u>36,215,507</u>
<b>Proprietary Funds:</b>							
Utility	\$ 77,196,940	\$ (3,668,382)	\$ 1,000,596	\$ -	\$ -	\$ -	\$ 74,529,154
Sanitation	3,804,293	(1,358,660)	-	-	-	-	2,445,633
Airport	30,023,653	(679,330)	-	-	-	-	29,344,323
Total Proprietary Funds	<u>\$ 111,024,886</u>	<u>\$ (5,706,372)</u>	<u>\$ 1,000,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,319,110</u>

**CITY OF ZEPHYRHILLS, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 17 CHANGE IN ACCOUNTING PRINCIPLE**

Effective October 1, 2024, the City implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The implementation of this standard did not have an impact on the compensated absences liability as of October 1, 2024.

**NOTE 18 SUBSEQUENT EVENTS**

Subsequent events have been evaluated through REPORT DATE, the date the financial statements were available to be issued.

On December 18, 2025, the City issued \$31,630,00 in Capital Improvement Revenue Bonds. The bonds were issued for the purpose of funding the Public Works Maintenance Facility, Zephyr Park, including but not limited to, Alice Hall and any other capital improvement projects approved by City Council. The bonds bear interest rates shall not exceed 6% and are scheduled to mature on September 1, 2055. These bonds are secured by a pledge of non-ad valorem revenues.

**CITY OF ZEPHYRHILLS, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Taxes:				
Ad Valorem	9,312,497	9,312,497	8,880,756	\$ (431,741)
Communication Services	1,012,949	1,012,949	1,055,762	42,813
Utility Taxes	2,540,768	2,540,768	2,788,701	247,933
Business Tax	92,000	92,000	136,566	44,566
Total Taxes	12,958,214	12,958,214	12,861,785	(96,429)
Licenses and Permits:				
Franchise Fees	1,964,769	1,964,769	2,077,059	112,290
Building Permits	900,000	900,000	914,848	14,848
Other	49,400	49,400	27,367	(22,033)
Total Licenses and Permits	2,914,169	2,914,169	3,019,274	105,105
Intergovernmental:				
State Revenue Sharing	708,000	708,000	720,411	12,411
Mobile Home License	155,000	155,000	137,075	(17,925)
Half-Cent Sales Tax	1,564,000	1,564,000	1,607,711	43,711
Alcoholic Beverage License	18,000	18,000	16,898	(1,102)
FDOT Street Lighting	53,367	53,367	53,368	1
Total Intergovernmental	2,498,367	2,498,367	2,535,463	37,096
Charges for Services:				
Building Administrative	25,000	25,000	31,091	6,091
Code Enforcement	5,000	5,000	1,726	(3,274)
Library	1,000	1,000	1,069	69
Other	85,300	85,300	47,786	(37,514)
Administrative Fees	30,000	30,000	112,079	82,079
Total Charges for Services	146,300	146,300	193,751	47,451
Fines and Forfeits:				
Court Fees	45,000	45,000	44,356	(644)
Police Education	4,000	4,000	3,182	(818)
Total Fines and Forfeits	49,000	49,000	47,538	(1,462)

**CITY OF ZEPHYRHILLS, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS) (CONTINUED)</b>				
Miscellaneous:				
Investment Income	200,000	200,000	822,702	\$ 622,702
Cemetery Sales	40,000	40,000	25,981	(14,019)
Surplus Property Sold	51,000	51,000	103,198	52,198
Contributions	-	-	8,703	8,703
Settlements	-	-	1,853,819	1,853,819
Rents	30,000	30,000	40,549	10,549
Other	116,000	116,000	80,332	(35,668)
Total Miscellaneous	437,000	437,000	2,935,284	2,498,284
Insurance Recoveries	-	-	154,320	154,320
Operating Transfers	1,992,800	1,992,800	2,062,858	(70,058)
Total Other	1,992,800	1,992,800	2,217,178	84,262
Total Amounts Available for Appropriation	20,995,850	20,995,850	23,810,273	2,674,307
<b>CHARGES TO APPROPRIATIONS OUTFLOWS</b>				
General Government:				
City Council:				
Personnel Services	150,250	150,250	145,610	4,640
Operating	35,700	35,700	24,268	11,432
Capital Outlay	55,611	175,983	114,920	61,063
Contributions	84,000	84,000	76,950	7,050
Total City Council	325,561	445,933	361,748	84,185
Administration:				
Personnel Services	661,965	661,965	621,668	40,297
Operating	678,750	709,674	559,308	150,366
Capital Outlay	100,000	100,000	-	100,000
Total Administration	1,440,715	1,471,639	1,180,976	290,663
Human Resources:				
Personnel Services	616,200	616,200	445,541	170,659
Operating	613,700	616,150	583,235	32,915
Total Human Resources	1,229,900	1,232,350	1,028,776	203,574
Finance:				
Personnel Services	461,865	461,865	489,342	(27,477)
Operating	112,200	290,950	213,749	77,201
Total Finance	574,065	752,815	703,091	49,724

**CITY OF ZEPHYRHILLS, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>CHARGES TO APPROPRIATIONS OUTFLOWS (CONTINUED)</b>				
General Government (Continued):				
Information Technology:				
Personnel Services	428,262	428,262	383,098	\$ 45,164
Operating	503,748	506,978	455,600	51,378
Capital Outlay	-	-	-	-
Total Information Technology	932,010	935,240	838,698	96,542
Economic Development:				
Operating	1,150,000	1,150,000	50,000	1,100,000
Total Economic Development	1,150,000	1,150,000	50,000	1,100,000
Planning:				
Personnel Services	500,380	500,380	482,431	17,949
Operating	255,800	306,060	126,747	179,313
Capital Outlay	0	0	5,474	(5,474)
Contributions	75,000	94,868	24,868	70,000
Total Planning	831,180	901,308	639,520	261,788
Total General Government	6,483,431	6,889,285	4,802,809	2,086,476
Public Safety:				
Police Dispatch:				
Personnel Services	746,230	746,230	622,508	123,722
Other Services and Charges	126,000	126,000	126,322	(322)
Total Police Dispatch	872,230	872,230	748,830	123,400
Police Department:				
Personnel Services	5,922,280	5,922,280	6,212,457	(290,177)
Operating	-	-	997,237	(997,237)
Capital Outlay	70,000	74,443	95,614	(21,171)
Total Police Department	5,992,280	5,996,723	7,305,308	(1,308,585)
Fire Department:				
Operating	384,340	425,870	414,033	11,837
Debt Service:				
Principal	-	-	45,478	(45,478)
Interest	-	-	10,132	(10,132)
Total Fire Department	384,340	425,870	469,643	(43,773)
Protective Inspections:				
Personnel Services	991,560	994,560	737,606	256,954
Operating	557,300	554,300	295,350	258,950
Total Protective Inspections	1,548,860	1,548,860	1,032,956	515,904
Total Public Safety	8,797,710	8,843,683	9,556,737	(713,054)

**CITY OF ZEPHYRHILLS, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>CHARGES TO APPROPRIATIONS OUTFLOWS (CONTINUED)</b>				
Public Works:				
Stormwater Management:				
Operating	204,500	204,500	67,388	\$ 137,112
Capital Outlay	-	-	-	-
Total Stormwater Management	<u>204,500</u>	<u>204,500</u>	<u>67,388</u>	<u>137,112</u>
Public Works Administration Road and Street Facilities:				
Personnel Services	780,909	780,909	720,847	60,062
Operating	603,050	619,627	861,171	(241,544)
Capital Outlay	205,000	205,000	156,293	48,707
Total Public Works Administration Road and Street Facilities	<u>1,588,959</u>	<u>1,605,536</u>	<u>1,738,311</u>	<u>(132,775)</u>
Equipment Maintenance:				
Personnel Services	456,534	456,534	426,968	29,566
Operating	82,350	82,350	64,660	17,690
Capital Outlay	52,000	52,000	15,317	36,683
Total Equipment Maintenance	<u>590,884</u>	<u>590,884</u>	<u>506,945</u>	<u>83,939</u>
Parks and Facility Management:				
Personnel Services	1,185,154	1,185,154	983,311	201,843
Operating	406,500	407,461	581,597	(174,136)
Capital Outlay	275,000	331,390	105,887	225,503
Total Parks and Facility Management	<u>1,866,654</u>	<u>1,924,005</u>	<u>1,670,795</u>	<u>253,210</u>
Total Public Works	<u>4,250,997</u>	<u>4,324,925</u>	<u>3,983,439</u>	<u>341,486</u>
Library:				
Personnel Services	429,453	429,453	405,239	24,214
Operating	81,625	89,825	83,558	6,267
Capital Outlay	36,000	36,000	27,356	8,644
Total Library	<u>547,078</u>	<u>555,278</u>	<u>516,153</u>	<u>39,125</u>
Transfers:				
Transfers to Other Funds	18,740	18,740	88,798	(70,058)
Transfers to Reserves	400,816	217,616	0	217,616
Total Transfers	<u>419,556</u>	<u>236,356</u>	<u>88,798</u>	<u>147,558</u>
Total Charges to Appropriations	<u>20,498,772</u>	<u>20,849,527</u>	<u>18,947,936</u>	<u>1,901,591</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES AND FUND TRANSFERS OVER CHARGES TO APPROPRIATIONS</b>	497,078	146,323	4,862,337	4,575,898
Fund Balance - Beginning of Year	(497,078)	(146,323)	16,764,972	16,911,295
Restatement	-	-	599,544	599,544
Fund Balances - Beginning of Year, as Restated	<u>(497,078)</u>	<u>(146,323)</u>	<u>17,364,516</u>	<u>17,510,839</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,226,853</u>	<u>\$ 22,086,737</u>

**CITY OF ZEPHYRHILLS, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Intergovernmental:				
Motor Fuel Taxes	533,227	533,227	735,760	\$ 202,533
Local Option Sales Tax	3,956,100	3,956,100	4,086,833	130,733
8th Cent Motor Fuel Tax	199,380	199,380	203,229	3,849
Grant Revenue	2,036,128	2,036,128	8,309,343	6,273,215
Gas Tax Refund	25,000	25,000	26,454	1,454
Total Intergovernmental	6,749,835	6,749,835	13,361,619	6,611,784
Miscellaneous:				
Investment Income	248,000	248,000	454,206	206,206
Total Miscellaneous	248,000	248,000	454,206	206,206
Other Financing Sources:				
SBITA	-	-	228,316	-
Total Other	-	-	228,316	-
Total Amounts Available for Appropriation	6,997,835	6,997,835	14,044,141	6,817,990
<b>CHARGES TO APPROPRIATIONS OUTFLOWS</b>				
Expenditures:				
Debt Service	589,927	589,927	824,301	(234,374)
Contractual Services	85,000	89,856	70,542	19,314
Operating Supplies	3,000	3,000	-	3,000
Capital Outlay	12,829,500	21,556,880	12,879,436	8,677,444
Total Expenditures	13,507,427	22,239,663	13,774,279	8,465,384
<b>EXCESS (DEFICIENCY) OF RESOURCES AND FUND TRANSFERS OVER CHARGES TO APPROPRIATIONS</b>	(6,509,592)	(15,241,828)	269,862	15,283,374
Fund Balance - Beginning of Year	6,509,592	15,241,828	11,962,825	(3,279,003)
Restatement	-	-	(3,128,501)	(3,128,501)
Fund Balances - Beginning of Year, as Restated	6,509,592	15,241,828	8,834,324	(6,407,504)
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ -	\$ 9,104,186	\$ 8,875,870
Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenses Sources/Inflows of Resources				
Actual amounts (budgetary basis) available for appropriation from the Budgetary comparison schedule.				\$ 14,044,141
Differences - Budget to GAAP: Proceeds from SBITA are inflows of budgetary resources but are not revenues for financial reporting purposes.				(228,316)
Total Revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$ 13,815,825

**CITY OF ZEPHYRHILLS, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
CRA FUND  
YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Taxes:				
Ad Valorem City	\$ 607,968	\$ 607,968	\$ 607,968	\$ -
Ad Valorem County	740,028	740,028	729,818	(10,210)
Total Intergovernmental	<u>1,347,996</u>	<u>1,347,996</u>	<u>1,337,786</u>	<u>(10,210)</u>
Miscellaneous:				
Main Street Reimbursement	1,000	1,000	-	(1,000)
Interest Income	100,000	100,000	213,009	113,009
Total Miscellaneous	<u>101,000</u>	<u>101,000</u>	<u>213,009</u>	<u>112,009</u>
Total Amounts Available for Appropriation	<u>1,448,996</u>	<u>1,448,996</u>	<u>1,550,795</u>	<u>101,799</u>
<b>CHARGES TO APPROPRIATIONS OUTFLOWS</b>				
Expenditures:				
Other Economic Environment:				
Personnel Services	142,908	142,908	141,661	1,247
Professional Services	102,502	145,897	154,895	(8,998)
Contractual Services	81,000	81,000	5,900	75,100
Promotional Activities	50,000	50,000	2,210	47,790
Supplies	2,650	2,650	4,955	(2,305)
Telephone and Communications	10,000	10,000	2,518	7,482
Training and Dues	4,000	4,000	1,587	2,413
Incentives	300,000	300,000	5,000	295,000
Grants and Contributions	200,000	200,000	16,677	183,323
Miscellaneous	8,900	8,900	7,886	1,014
Total Other Economic Environment	<u>901,960</u>	<u>945,355</u>	<u>343,289</u>	<u>602,066</u>
Capital Outlay	<u>1,898,000</u>	<u>1,912,522</u>	<u>127,741</u>	<u>1,784,781</u>
Total Changes to Appropriations (Outflows)	<u>2,799,960</u>	<u>2,857,877</u>	<u>471,030</u>	<u>2,386,847</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES AND FUND TRANSFERS OVER CHARGES TO APPROPRIATIONS</b>	<u>(1,350,964)</u>	<u>(1,408,881)</u>	<u>1,079,765</u>	<u>2,488,646</u>
Fund Balance - Beginning of Year	<u>1,350,964</u>	<u>1,408,881</u>	<u>1,760,028</u>	<u>351,147</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,839,793</u>	<u>\$ 2,839,793</u>

**CITY OF ZEPHYRHILLS, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
IMPACT FEE FUND  
YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RESOURCES (INFLOWS)</b>				
Impact Fees:				
Transportation Impact Fees	950,000	950,000	657,974	\$ (292,026)
Police Impact Fees	67,600	67,600	98,641	31,041
Park and Cultural Impact Fees	154,000	154,000	210,907	56,907
Total Impact Fees	<u>1,171,600</u>	<u>1,171,600</u>	<u>967,522</u>	<u>(204,078)</u>
Miscellaneous:				
Interest Income	156,000	156,000	325,026	169,026
Total Miscellaneous	<u>156,000</u>	<u>156,000</u>	<u>325,026</u>	<u>169,026</u>
 Total Amounts Available for Appropriation	 <u>1,327,600</u>	 <u>1,327,600</u>	 <u>1,292,548</u>	 <u>(35,052)</u>
<b>CHARGES TO APPROPRIATIONS OUTFLOWS</b>				
Expenditures:				
Public Works Roads and Streets:				
Capital Outlay	3,700,000	4,449,757	686,591	3,763,166
Contractual Services	760,500	961,500	782,905	178,595
Contingency	2,417,374	1,466,618	-	1,466,618
Total Public Works Roads and Streets	<u>6,877,874</u>	<u>6,877,875</u>	<u>1,469,496</u>	<u>5,408,379</u>
Public Safety:				
Capital Outlay	100,000	233,204	84,691	148,513
Small Tools and Equipment	-	-	10,500	(10,500)
Contingency	559,760	448,460	-	448,460
Total Public Safety	<u>659,760</u>	<u>681,664</u>	<u>95,191</u>	<u>586,473</u>
Parks and Recreation:				
Capital Outlay	500,000	701,943	286,922	415,021
Contingency	1,132,810	1,132,810	-	1,132,810
Total Parks and Recreation	<u>1,632,810</u>	<u>1,834,753</u>	<u>286,922</u>	<u>1,547,831</u>
 Total Changes to Appropriations (Outflows)	 <u>9,170,444</u>	 <u>9,394,292</u>	 <u>1,851,609</u>	 <u>7,542,683</u>
<b>EXCESS (DEFICIENCY) OF RESOURCES AND FUND TRANSFERS OVER CHARGES TO APPROPRIATIONS</b>	<b>(7,842,844)</b>	<b>(8,066,692)</b>	<b>(559,061)</b>	<b>7,507,631</b>
Fund Balance - Beginning of Year	<u>7,842,844</u>	<u>8,066,692</u>	<u>8,256,639</u>	<u>189,947</u>
<b>FUND BALANCE - END OF YEAR</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,697,578</u></b>	<b><u>\$ 7,697,578</u></b>

**CITY OF ZEPHYRHILLS, FLORIDA**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**YEAR ENDED SEPTEMBER 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Florida Retirement System Pension Plan</b>										
City's Proportion of the Net Pension Liability	0.030730874%	0.028199400%	0.000272647%	0.000270852%	0.000295446%	0.037913305%	0.036896700%	0.038666806%	0.037380409%	0.002149501%
City's Proportionate Share of the Net Pension Liability	\$ 9,537,349	\$ 10,908,821	\$ 10,864,118	\$ 10,077,862	\$ 2,231,758	\$ 16,432,185	\$ 12,706,073	\$ 11,646,642	\$ 11,056,874	\$ 8,749,305
City's Covered-Employee Payroll	\$ 10,129,979	\$ 8,919,667	\$ 8,411,232	\$ 7,715,111	\$ 7,819,873	\$ 8,554,108	\$ 7,115,483	\$ 7,200,895	\$ 6,827,988	\$ 6,128,532
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	94.15%	122.30%	129.16%	130.62%	28.54%	192.10%	178.57%	161.74%	161.93%	142.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%
<b>Retiree Health Insurance Subsidy Program</b>										
City's Proportion of the Net Pension Liability	0.022670552%	0.021050500%	0.021166800%	0.021151900%	0.002208870%	0.024758627%	0.024150400%	0.024733200%	2.382656590%	0.003005484%
City's Proportionate Share of the Net Pension Liability	\$ 2,905,785	\$ 3,157,783	\$ 3,361,565	\$ 2,240,327	\$ 2,709,511	\$ 3,022,988	\$ 2,702,188	\$ 2,617,787	\$ 2,547,656	\$ 2,585,031
City's Covered-Employee Payroll	\$ 10,129,979	\$ 8,919,667	\$ 8,411,232	\$ 7,715,111	\$ 7,819,873	\$ 8,722,802	\$ 8,117,769	\$ 8,081,312	\$ 7,613,600	\$ 6,847,236
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	28.69%	35.40%	39.97%	29.04%	34.65%	34.66%	33.29%	32.39%	33.46%	37.75%
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	1.70%	2.15%	1.64%	0.97%

**CITY OF ZEPHYRHILLS, FLORIDA  
SCHEDULE OF CONTRIBUTIONS  
YEAR ENDED SEPTEMBER 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Florida Retirement System Pension Plan</b>										
Contractually Required Contribution	\$ 1,908,606	\$ 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
Contributions in Relation to the										
Contractually Required Contribution	(1,908,606)	(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)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	\$ 10,395,611	\$ 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
Contributions as a Percentage of										
Covered-Employee Payroll	18.36%	18.39%	16.07%	15.25%	14.32%	15.11%	16.40%	15.83%	14.13%	14.02%
<b>Retiree Health Insurance Subsidy Program</b>										
Contractually Required Contribution	\$ 207,886	\$ 183,397	\$ 142,862	\$ 129,192	\$ 123,905	\$ 145,634	\$ 134,842	\$ 134,178	\$ 128,676	\$ 121,021
Contributions in Relation to the										
Contractually Required Contribution	(207,886)	(183,397)	(142,862)	(129,192)	(123,905)	(145,634)	(134,842)	(134,178)	(128,676)	(121,021)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	\$ 10,395,611	\$ 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
Contributions as a Percentage of										
Covered-Employee Payroll	2.00%	2.06%	1.73%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

**CITY OF ZEPHYRHILLS, FLORIDA  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
YEAR ENDED SEPTEMBER 30, 2025**

<b>Total OPEB Liability</b>	2025	2024	2023	2022	2021	2020	2019	2018
OPEB Liability - Beginning	\$ 11,215,677	\$ 15,877,691	\$ 14,924,231	\$ 20,201,060	\$ 18,753,832	\$ 21,732,548	\$ 15,632,173	\$ 16,529,602
Changes for the Year:								
Service Cost	742,268	855,806	839,269	1,147,261	632,622	618,943	579,239	681,663
Interest	450,267	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	(1,719,320)	2,500,483	(193,573)	(4,858,527)	740,402	8,211,226	5,288,121	(1,710,646)
Benefit Payments	(279,829)	(232,439)	(319,507)	(290,815)	(350,365)	(309,960)	(444,917)	(484,424)
Net Changes	(806,614)	(4,662,014)	953,460	(5,276,829)	1,447,228	(2,978,716)	6,100,375	(897,429)
OPEB Liability - Ending	<u>\$ 10,409,063</u>	<u>\$ 11,215,677</u>	<u>\$ 15,877,691</u>	<u>\$ 14,924,231</u>	<u>\$ 20,201,060</u>	<u>\$ 18,753,832</u>	<u>\$ 21,732,548</u>	<u>\$ 15,632,173</u>
Covered-Employee Payroll	\$ 8,828,000	\$ 8,571,000	\$ 8,029,000	\$ 7,757,191	\$ 9,956,000	\$ 9,618,859	\$ 7,005,364	\$ 6,768,468
Total OPEB Liability as a Percentage of Covered-Employee Payroll	118%	131%	198%	192%	203%	195%	310%	231%

**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  
UTILITY FUND SCHEDULE OF OPERATING INCOME (LOSS)  
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<b>REVENUES</b>		
Installation Fees	\$ 296,146	\$ 257,553
Water and Sewer Service	15,378,996	12,769,893
Miscellaneous Revenues	53,806.00	165,944
Total Revenues	15,728,948	13,193,390
<b>OPERATING EXPENSES</b>		
Administration:		
Salaries	423,058	316,050
Employee Benefits	184,031	153,553
Professional Services	453,076	922,828
Education, Travel, and Dues	7,434	10,099
Telephone	3,812	2,047
Office Supplies and Expenses	557	3,604
Operating Supplies	5,999	347
Property and Casualty Insurance	34,717	34,664
Leases and Rents	2,789	2,590
Vehicle and Equipment Repair	8,497	138
Gas and Oil	283	54
Other	92,043	124,594
Depreciation	12,373	769
Total Administration	1,228,669	1,571,337
Water Department:		
Salaries	644,263	541,042
Overtime	46,162	37,057
Employee Benefits	519,225	307,212
Professional Services	668,230	285,845
Water Tank Maintenance	55,514	32,557
Property Tax	222	87
Education, Travel, and Dues	17,921	21,032
Telephone	19,491	19,313
Electric	156,243	153,401
Other Utility Charges	176	744
Leases and Rentals	432	476
Repairs and Maintenance - Building	4,111	5,247
Repairs and Maintenance - Equipment	70,451	10,801
Repairs and Maintenance - Vehicles	25,612	14,716
Small Tools	13,138	14,609
Operating Supplies	68,476	30,973
Property and Casualty Insurance	47,231	45,440
Office Supplies and Postage	493	2,407
Uniforms	4,630	5,211
Chemicals and Chlorine Gas	27,797	25,357
Laboratory Analysis	12,807	13,092
Gas and Oil	51,485	39,005
Depreciation	1,368,343	1,518,460
Other	1,599	-
Total Water Department	3,824,052	3,124,084

**CITY OF ZEPHYRHILLS, FLORIDA  
UTILITY FUND SCHEDULE OF OPERATING INCOME (LOSS) (CONTINUED)  
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<b>OPERATING EXPENSES (CONTINUED)</b>		
Sewer Department:		
Salaries	\$ 714,699	\$ 541,262
Overtime	76,067	60,139
Employee Benefits	402,337	223,365
Professional Services	267,093	120,886
Education, Travel, and Dues	7,652	9,904
Telephone	19,375	16,697
Contract Hauling	2,234,246	141,467
Electric	494,306	458,897
Other Utility Charges	28,390	18,999
Leases and Rentals	111	-
Repairs and Maintenance - Building	34,936	13,086
Repairs and Maintenance - Equipment	127,097	146,066
Repairs and Maintenance - Vehicles	20,309	13,577
Repairs and Maintenance - Infrastructure	164,609	65,457
Small Tools	7,781	3,667
Operating Supplies	73,199	40,450
Office Supplies and Postage	814	1,811
Property and Casualty Insurance	299,527	299,064
Uniforms	5,630	4,895
Chemicals and Chlorine Gas	224,964	219,187
Laboratory Analysis	33,202	45,709
Gas and Oil	62,320	39,359
Depreciation	2,380,136	2,424,511
Other	1,617	23
Total Sewer Department	7,680,417	4,908,478
Total Operating Expenses	12,733,138	9,603,899
<b>OPERATING INCOME</b>	<b>\$ 2,995,810</b>	<b>\$ 3,589,491</b>

**CITY OF ZEPHYRHILLS, FLORIDA  
SANITATION FUND SCHEDULE OF OPERATING INCOME (LOSS)  
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<b>REVENUES</b>		
Service	\$ 2,713,631	\$ 2,475,766
Miscellaneous Revenues	38,957	35,964
Total Revenues	2,752,588	2,511,730
 <b>OPERATING EXPENSES</b>		
Salaries	562,344	452,108
Overtime	60,646	29,367
Employee Benefits	192,012	156,678
Education, Travel, and Dues	4,270	1,671
Telephone	2,791	2,860
Landfill Fees	54,804	19,843
Repairs and Maintenance - Vehicles	251,032	295,685
Repairs and Maintenance - Equipment	6,093	2,430
Property and Casualty Insurance	84,103	93,692
Dumpsters and Recycle Bins	74,933	44,723
Operating Supplies	8,419	28,447
Gas and Oil	179,107	160,186
Depreciation	382,662	334,356
Professional Services	33,201	21,761
Tools, Small Equipment	3,209	3,948
Uniforms	6,016	3,639
Other	20,574	21,806
Total Operating Expenses	1,926,216	1,673,200
 <b>OPERATING INCOME</b>	 <b>\$ 826,372</b>	 <b>\$ 838,530</b>

	<u>2025</u>	<u>2024</u>
<b>REVENUES</b>		
Rental Income	385,490	\$ 307,261
Tie-Downs	22,102	21,176
Fuel and Oil Sales	990,568	1,180,083
Hangar Rental	476,806	478,186
Fuel Flowage Fees	4,840	4,444
Miscellaneous	54,063	46,074
Total Revenues	<u>1,933,869</u>	<u>2,037,224</u>
<b>OPERATING EXPENSES</b>		
Salaries	353,850	355,440
Overtime	10,837	10,063
Employee Benefits	244,227	150,829
Professional Services	23,909	10,632
Credit Card Processing	45,972	55,084
Advertising	465	323
Education, Travel, and Dues	652	-
Telephone	3,301	3,393
Electricity	34,597	34,463
Water and Sewer	6,258	6,022
Refuse Disposal	709	544
Repairs and Maintenance - Vehicles	1,463	507
Repairs and Maintenance - Building	2,714	1,878
Repairs and Maintenance - Equipment	8,944	10,662
Repairs and Maintenance - Infrastructure	41,585	37,541
Gas and Oil for Resale	807,795	976,263
Vehicle Expense Gas and Oil	15,322	15,899
Operating Supplies	6,299	6,470
Office Supplies	491	600
Other Expenses	9,879	13,749
Property and Casualty Insurance	108,568	108,401
Depreciation	1,371,067	1,300,377
Total Operating Expenses	<u>3,098,904</u>	<u>3,099,140</u>
<b>OPERATING LOSS</b>	<u>\$ (1,165,035)</u>	<u>\$ (1,061,916)</u>

**DRAFT**

**STATISTICAL SECTION**

**City of Zephyrhills, Florida**  
**Assessed Value and Estimated Actual of Taxable Property**  
**Last Ten Years**

Tax Year	Real Property	Personal Property	Net Exemptions		Real Property	Personal Property	Centrally Assessed Property	Total Taxable Assessed Value	Value as a Percentage of Estimated Actual Value	Total Direct Tax Rate
			Real Property	Personal Property						
2016	\$ 787,559,588	\$ 149,066,089	\$ 262,561,874	\$ 51,198,176	\$ 524,997,714	\$ 97,867,913	\$ 622,865,627	66.5	6.35	
2017	\$ 818,254,030	\$ 152,547,858	\$ 271,381,442	\$ 51,017,969	\$ 546,872,588	\$ 101,529,889	\$ 648,757,170	66.8	6.35	
2018	\$ 874,155,111	\$ 160,186,170	\$ 278,711,662	\$ 50,247,525	\$ 595,443,449	\$ 109,938,645	\$ 705,749,648	68.2	6.35	
2019	\$ 949,352,811	\$ 169,185,781	\$ 295,541,383	\$ 49,181,875	\$ 653,811,428	\$ 120,003,906	\$ 774,173,659	69.2	6.35	
2020	\$ 1,026,911,319	\$ 164,502,473	\$ 306,148,563	\$ 42,352,403	\$ 720,762,756	\$ 122,150,070	\$ 843,313,047	70.8	6.35	
2021	\$ 1,137,655,102	\$ 172,955,470	\$ 323,298,123	\$ 40,774,597	\$ 814,356,979	\$ 132,180,873	\$ 946,940,998	72.3	6.35	
2022	\$ 1,328,752,885	\$ 175,210,186	\$ 349,614,195	\$ 39,669,970	\$ 979,138,690	\$ 135,540,216	\$ 1,115,113,999	74.1	6.35	
2023	\$ 1,559,029,017	\$ 208,500,397	\$ 381,139,944	\$ 38,466,022	\$ 1,177,889,073	\$ 170,034,375	\$ 1,348,367,340	76.3	6.25	
2024	\$ 1,812,171,259	\$ 215,823,728	\$ 406,297,173	\$ 48,376,333	\$ 1,405,874,086	\$ 167,447,395	\$ 1,574,329,562	77.6	6.25	
2025	\$ 2,024,611,921	\$ 237,380,519	\$ 430,189,550	\$ 47,878,558	\$ 1,594,422,371	\$ 189,501,961	\$ 1,783,872,087	82.8	6.25	

**City of Zephyrhills, Florida  
Direct and Overlapping Property Tax Rates  
Last Ten Years**

Fiscal Year Ended "Sept 30	City of Zephyrhills	Pasco Co Schools		Pasco County						SW Water Management District	Total	
		Operating	Capital	BOCC	Fire District	Mosquito	Fire Res Bond	Jail	Libraries			Recreation
2016	6.3500	5.6090	1.5000	7.6076		0.2336					0.3488	21.6490
2017	6.3500	5.2770	1.5000	7.6076		0.2254					0.3317	21.2917
2018	6.3500	5.0650	1.5000	7.6076		0.2154					0.3131	21.0511
2019	6.3500	4.7790	1.5000	7.6076		0.2034					0.2955	20.7355
2020	6.3500	4.6010	1.5000	7.6076		0.2646	0.0222	0.0277	0.0096	0.0100	0.2801	20.6728
2021	6.3500	4.4220	1.5000	7.6076	1.8036	0.2545	0.0310	0.0376	0.0161	0.0155	0.2669	22.3048
2022	6.3500	4.3100	1.5000	7.6076	1.8036	0.2545	0.0477	0.1307	0.0180	0.0134	0.2535	22.2890
2023	6.2500	4.0160	1.5000	7.6076	1.8036	0.2545	0.0825	0.1530	0.0223	0.0229	0.2260	21.9384
2024	6.2500	4.9490	1.5000	7.5700	2.1225	0.2545	0.0760	0.1521	0.0205	0.0231	0.2043	23.1220
2025	6.2500	4.7740	1.5000	7.4042	2.1225	0.2091	0.0646	0.1182	0.0258	0.0202	0.1831	22.6717

**City of Zephyrhills  
Principal Property Taxpayers  
Current Year and Ten Years Ago**

	2025			2016		
	Taxable Assessed Values	Rank	% of Total Taxable Assessed Values	Taxable Assessed Values	Rank	% of Total Taxable Assessed Values
BLUETRITON BRANDS INC (1)	\$ 86,299,339	1	4.8%	\$ 45,000,016	1	7.2%
ZEPHYR RESIDENTIAL LP	36,385,924	2	2.04	--	--	
DUKE ENERGY FLORIDA	26,866,365	3	1.51	19,602,001	2	3.15
SF ZEPHYR COMMONS LP	13,193,390	4	0.74	12,438,665	3	2.00
ESS-FLAGSHIP ZEPHYRHILLS FL SU	10,989,980	5	0.62	--	--	
EXTRA SPACE PROPERTIES TWO LLC	10,623,623	6	0.60	--	--	
WAL-MART STORES EAST LP	9,842,309	7	0.55	9,368,447	6	1.50
BZA TOWNVIEW LLC	9,258,042	8	0.52	5,128,712	10	0.82
SNAPBOX ZEPHYRHILLS LLC	8,621,340	9	0.48	--	--	
BEDROCK WINTERS LLC	7,842,598	10	0.44	--	--	
AH ZEPHYRHILLS LLC				9,824,402	4	1.58
HEALTH CARE REIT INC				9,574,636	5	1.54
FLORIDA MEDICAL CLINIC PA				8,569,261	7	1.38
LOWE'S HOME CENTERS INC				7,704,409	8	1.24
FRONTIER COMMUNICATIONS				7,387,561	9	1.19

(1) Formerly known as Nestle North America

Source: Pasco County Property Appraiser

## City of Zephyrhills, Florida Property Tax Levies and Collections

Fiscal YE 30-Sep	Taxable Value	Millage Rate	Taxes Levied FY	Collections w/in FY		Collections Sub years	Total Collections	
				Amount	% of Levy		Amount	% of Levy
2016	\$ 602,150,274	6.35	\$ 3,826,754	\$ 3,821,696	99.87%	\$ 1,870.74	\$ 3,823,567	99.92%
2017	\$ 622,865,627	6.35	\$ 3,959,057	\$ 3,953,350	99.86%	\$ 3,003.88	\$ 3,956,354	99.93%
2018	\$ 648,757,170	6.35	\$ 4,127,576	\$ 4,101,859	99.38%	\$ 639.33	\$ 4,102,498	99.39%
2019	\$ 705,749,648	6.35	\$ 4,483,374	\$ 4,472,213	99.75%	\$ 2,966.47	\$ 4,475,179	99.82%
2020	\$ 774,173,659	6.35	\$ 4,920,562	\$ 4,912,556	99.84%	\$ 1,847.99	\$ 4,914,404	99.87%
2021	\$ 843,313,047	6.35	\$ 5,376,667	\$ 5,347,393	99.46%	\$ 1,804.53	\$ 5,349,198	99.49%
2022	\$ 946,940,998	6.35	\$ 6,016,501	\$ 6,009,887	99.89%	\$ (319.88)	\$ 6,009,567	99.88%
2023	\$ 1,115,113,999	6.25	\$ 6,976,208	\$ 6,957,792	99.74%	\$ 4,272.89	\$ 6,962,065	99.80%
2024	\$ 1,348,367,340	6.25	\$ 8,433,527	\$ 8,419,270	99.83%	\$ 3,532.63	\$ 8,422,802	99.87%
2025	\$ 1,574,329,562	6.25	\$ 9,843,978	\$ 9,843,107	99.99%	\$ 589.30	\$ 9,843,696	100.00%

Source: Pasco County Tax Collector's Office

## Population Trends 1990 - 2024

### City of Zephyrhills, Pasco County, and State of Florida

Year	City of Zephyrhills	Percentage Increase (Decrease)	Pasco County	Percentage Increase	Florida	Percentage increase
1990	8,200	--	193,661	--	12,938,071	--
2000	11,271	37.5%	344,768	78.0%	15,982,824	23.5%
2010	13,898	23.3%	464,697	34.8%	18,801,332	17.6%
2020	17,323	24.6%	561,891	20.9%	21,538,187	14.6%
2021	18,244	5.3%	575,891	2.5%	21,898,945	1.7%
2022	19,294	5.8%	592,669	2.9%	22,276,132	1.7%
2023	20,883	8.2%	610,743	3.0%	22,634,867	1.6%
2024	22,304	6.8%	633,029	3.6%	23,014,551	2.9%
2025	23,256	4.3%	636,578	0.6%	23,292,200	1.2%

Sources:

Pasco County - Economic and Demographic Research  
 Neilsberg Research: Zephyrhills, FL Population by Year  
 Data Commons  
 World Population Review

**City of Zephyrhills**  
**Governmental Non-Ad Valorem Revenues**

	2025	2024	2023	2022	2021	2020	2019
<b>Taxes</b>							
Local Option Sales Tax	\$ 4,047,622	\$ 3,649,934	\$ 3,519,013	\$ 3,348,813	\$ 2,855,463	\$ 2,662,404	\$ 2,096,470
Utility Tax Electric	2,765,169	2,382,872	2,449,311	2,173,863	2,001,486	2,081,576	1,755,048
Utility Tax Propane	23,531	18,698	25,926	23,251	29,601	29,408	34,428
Communications Service Tax	1,040,565	965,964	867,746	706,216	630,568	546,294	414,603
Business Tax	136,565	118,852	96,350	91,838	100,588	103,816	87,430
	<u>\$ 8,013,452</u>	<u>\$ 7,136,320</u>	<u>\$ 6,958,346</u>	<u>\$ 6,343,981</u>	<u>\$ 5,617,706</u>	<u>\$ 5,423,498</u>	<u>\$ 4,387,979</u>
<b>Licenses and Permits</b>							
Franchise Fees Electric	\$ 1,958,769	\$ 1,886,140	\$ 1,874,449	\$ 1,776,532	\$ 1,546,234	\$ 1,630,722	\$ 1,513,773
Franchise Fees Gas	7,312	5,609	5,437	5,992	4,235	3,028	2,463
Building Permits	914,847	539,522	2,061,811	1,035,215	1,196,335	833,954	579,506
Other Licenses and Fees	181,339	183,354	205,015	184,110	176,530	173,280	154,896
	<u>\$ 3,062,267</u>	<u>\$ 2,614,625</u>	<u>\$ 4,146,712</u>	<u>\$ 3,001,849</u>	<u>\$ 2,923,334</u>	<u>\$ 2,640,984</u>	<u>\$ 2,250,638</u>
<b>Intergovernmental</b>							
Local Govt Half Cent Tax	\$ 1,599,674	\$ 1,548,994	\$ 1,535,072	\$ 1,491,705	\$ 1,332,415	\$ 1,169,437	\$ 983,494
St Rev Sharing Cig/Motor Fuel	720,410	711,455	714,010	680,243	509,039	415,870	438,816
Total	<u>\$ 2,320,084</u>	<u>\$ 2,260,449</u>	<u>\$ 2,249,082</u>	<u>\$ 2,171,948</u>	<u>\$ 1,841,454</u>	<u>\$ 1,585,307</u>	<u>\$ 1,422,310</u>
<b>Charges for Services (1)</b>							
Charges for Services (1)	\$ 193,751	\$ 1,660,094	\$ 1,752,149	\$ 1,942,615	\$ 1,894,229	\$ 1,866,894	\$ 2,205,397
Fines and Forfeitures	47,538	45,532	49,730	64,240	68,748	51,513	54,987
Investment Earnings	822,702	879,840	583,166	30,848	15,293	79,384	296,465
Contributions and Donations	8,703	22,418	6,577	18,792	12,722	16,384	151,295
Other (2)	2,220,310	468,276	373,004	405,267	275,471	210,014	246,423
	<u>\$ 16,688,807</u>	<u>\$ 15,087,554</u>	<u>\$ 16,118,766</u>	<u>\$ 13,979,540</u>	<u>\$ 12,648,957</u>	<u>\$ 11,873,978</u>	<u>\$ 11,015,494</u>

- (1) 2025 Reclassified as Transfer  
(2) 2025 Legal Settlement \$1,853,819

**City of Zephyrhills , Florida**  
**Governmental Funds -- Historical Revenue and Expenditures**  
**Last Five Years**

	2020	2021	2022	2023	2024	2025
<b>Revenues:</b>						
Taxes	8,185,436	9,097,382	10,556,349	12,170,618	14,199,571	
Licenses, Permits and Fees	2,774,515	2,840,756	3,994,879	2,460,151	3,019,274	
Intergovernmental Revenues	11,690,965	10,950,751	6,934,819	7,560,482	15,897,082	
Charges for Service	1,894,847	1,942,949	1,752,910	1,731,807	193,751	
Fines and Forfeitures	81,436	110,426	187,891	85,918	47,538	
Miscellaneous Revenue	333,480	886,398	2,172,986	2,760,213	2,112,582	
Interest Revenue						1,814,943
Special Assessment	2,097,051	1,553,763	4,681,239	984,866	967,522	
<b>total Revenue</b>	<b>27,057,730</b>	<b>27,382,425</b>	<b>30,281,073</b>	<b>27,754,055</b>	<b>38,252,263</b>	
<b>Expenditures:</b>						
<b>Current</b>						
General Government	5,461,333	4,961,065	5,236,540	5,613,638	4,752,957	
Public Safety	7,140,591	6,960,537	7,552,329	8,034,160	9,416,013	
Economic Environment					343,289	
Public Works	2,116,706	2,358,193	2,525,571	2,672,881	4,488,847	
Library	330,143	363,223	374,648	425,023	488,797	
Capital Outlay	3,923,850	3,719,875	5,424,604	11,500,516	14,586,242	
<b>Debt Service</b>						
Principal Retirement	440,695	451,025	461,597	472,417	660,784	
Interest and Fiscal Charges	149,732	139,282	128,556	117,639	219,127	
<b>Total Expenditures</b>	<b>19,563,050</b>	<b>18,953,200</b>	<b>21,703,845</b>	<b>28,836,274</b>	<b>34,956,056</b>	
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>7,494,680</b>	<b>8,429,225</b>	<b>8,577,228</b>	<b>(1,082,219)</b>	<b>3,296,207</b>	
<b>Other Financing Sources (uses)</b>						
SBITA						228,316
Insurance Recoveries						154,320
Transfer In						1,992,800
Transfer out	(18,740)	(97,140)	(18,740)	(83,705)	(18,740)	
<b>Total Other Financing Sources (uses)</b>	<b>(18,740)</b>	<b>(97,140)</b>	<b>(18,740)</b>	<b>(83,705)</b>	<b>(18,740)</b>	
<b>Net Change in Fund Balances</b>	<b>7,475,940</b>	<b>8,332,085</b>	<b>8,558,488</b>	<b>(1,165,924)</b>	<b>5,652,903</b>	
<b>Fund Balances Beginning of Year</b>	<b>15,543,875</b>	<b>23,019,815</b>	<b>31,351,900</b>	<b>39,910,388</b>	<b>38,744,464</b>	
Restatement					(2,528,957)	
<b>Fund Balances- Beginning of the Year as Restated</b>					<b>36,215,507</b>	
<b>Fund Balances - End of the Year</b>	<b>23,019,815</b>	<b>31,351,900</b>	<b>39,910,388</b>	<b>38,744,464</b>	<b>41,868,410</b>	

**CITY OF ZEPHYRHILLS, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2025**

Federal or State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number/ State CSFA No.	Contract Number	Expenditures
<b>Federal</b>			
<b>Department of Treasury</b>			
Passed Through Florida Department of Emergency Management: COVID-19: Coronavirus State and Local Fiscal Recovery Funds	ALN 21.027	Y5328	\$ 2,641,645
<b>Environmental Protection Agency</b>			
Passed Through Florida Department of Environmental Protection: Clean Water State Revolving Fund	ALN 66.458	CS-12000119-0	429,918
<b>Department of Homeland Security</b>			
Passed Through Florida Department of Emergency Management: Public Assistance Grants - Hurricane Milton	ALN 97.036	Z4373	<u>372,235</u>
Total Federal Expenditures			<u><u>\$ 3,443,798</u></u>
<b>State of Florida</b>			
<b>Florida Department of Environmental Protection:</b>			
Statewide Water Quality Restoration Projects			
Kossick & Fort King Water/Sewer Main Extension	CSFA 37.039	LPA0407	1,660,112
South 301 Water/Wastewater Redevelopment	CSFA 37.039	LPQ0029	<u>258,645</u>
Subtotal: CSFA 37.039			<u>1,918,757</u>
Innovative Technologies - Ferrate Treatment WWTP	CSFA 37.103	INW03	<u>60,676</u>
Total Florida Department of Environmental Protection			1,979,433
<b>Florida Department of Economic Opportunity:</b>			
Division of Housing and Community Development			
Sarah Vande Berg Tennis Center Phase II	CSFA 40.038	HL135	4,295,008
Zephyr Park Improvements	CSFA 40.038	HL258	<u>35,145</u>
Subtotal: CSFA 40.038			<u>4,330,153</u>
Total Florida Department of Economic Opportunity			<u>4,330,153</u>
<b>Florida Department of Transportation:</b>			
Aviation Grant Program			
Joint Participation Zephyrhills Municipal Airport:			
Runway 1-19 Extension	CSFA 55.004	443359-1-94-01 GOZ22	10,224
Runway 1-19 Ext. Rehab Design	CSFA 55.004	449182-1-94-01 G2D46	<u>14,503</u>
Subtotal: CSFA 55.004			24,727
Local Transportation Projects			
Box Hangars/Taxiway F	CSFA 55.039	43359-1-94-01 G2C11	1,559,427
National Guard Entrance Road	CSFA 55.039	G2I51	<u>1,329,872</u>
Subtotal: CSFA 55.039			<u>2,889,299</u>
Total Florida Department of Transportation			<u>2,914,026</u>
Total State Expenditures			<u><u>\$ 9,223,612</u></u>

**CITY OF ZEPHYRHILLS, FLORIDA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2025**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (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, 2025. 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 Principles, 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, Florida, 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 modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds, which are described in Note 1 to the City’s financial statements. 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.

**NOTE 4 LOANS OUTSTANDING**

Program Title	CSFA Number	Contract Number	Amount Outstanding
Drinking Water State Revolving Fund	66.468	WW805030	1,463,472
Drinking Water State Revolving Fund	66.468	WW805020	1,888,846
Drinking Water State Revolving Fund	66.468	WW510531	4,906,045
Drinking Water State Revolving Fund	66.468	WW510550	643,723
Total U.S. Department of Environmental Protection			<u>\$ 8,902,086</u>

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

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 States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Zephyrhills, Florida (City), which comprise the City's statement of financial position as of September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated REPORT DATE.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

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

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

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

**Report on Compliance and Other Matters**

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

**City of Zephyrhills’ Response to Findings**

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

**Purpose of This Report**

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
REPORT DATE

**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  
RULES OF THE AUDITOR GENERAL**

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

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

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

We have audited the City of Zephyrhills, Florida's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements identified as subject to audit in the Florida Department of Financial Services' *State Project 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, 2025. 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, the City complied, in all material respects, with the 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, 2025.

***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 10.550, Rules of the Auditor General for Local Governmental Entity Audits. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of 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 City'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 the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 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'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'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 and Chapter 10.550, 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.

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

### **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 or state project 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 or state project 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 or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Lakeland, Florida  
REPORT DATE

**CITY OF ZEPHYRHILLS, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2025**

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**Section I – Summary of the Auditors' Results**

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**Financial Statements**

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?   X   yes        no
  - Significant deficiency(ies) identified?        yes   X   none reported
3. Noncompliance material to basic financial statements noted?        yes   X   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified?        yes   X   no
  - Significant deficiency(ies) identified?        yes   X   none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        yes   X   no

**Identification of Major Federal Programs**

**Assistance Listing Number(s)**

21.027

**Name of Federal Program or Cluster**

Coronavirus State & Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,000,000

Auditee qualified as low-risk auditee?

  X   yes        no

**CITY OF ZEPHYRHILLS, FLORIDA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
 YEAR ENDED SEPTEMBER 30, 2025**

**Section I – Summary of the Auditors' Results (Continued)**

**State Financial Assistance**

1. Internal control over state programs:

- Material weakness(es) identified?                    \_\_\_\_\_ yes                      X   no
- Significant deficiency(ies) identified?                    \_\_\_\_\_ yes                      X   none reported

2. Type of auditors' report issued on compliance for major state projects

Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General?

\_\_\_\_\_ yes                      X   no

**Identification of Major State Programs:**

**CSFA Number**

**Name of State Project**

37.039

State Water Quality Restoration Projects

40.038

Division of Housing and Community Development

Audit threshold used to determine between Type A and Type B state projects:

\$   750,000

**CITY OF ZEPHYRHILLS, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2025**

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***Section II – Financial Statement Findings***

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**2025 – 001 Audit Adjustments**

**Type of Finding:** Material Weakness in Internal Control Over Financial Reporting.

**Condition:** As part of the audit, we proposed audit adjustments to correct the City's financial statements at year-end, including audit adjustments to restate beginning balances of net position and fund balance.

**Criteria of Specific Requirement:** The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the City's ability to ensure financial transactions are authorized and accurate. The City's management is responsible for establishing and maintaining internal controls for the proper recording of all the City's transactions in the financial statements.

**Effect:** The City's financial records were misstated, and we proposed adjusting entries to management to correct the City's financial records. The proposed adjustments were recorded by management to correct the financial statements.

**Cause:** The City's internal controls did not prevent or detect the errors.

**Repeat Finding:** No

**Recommendation:** We recommend that the City strengthen its internal controls over financial reporting to ensure the financial statements are prepared in accordance with U.S. GAAP and transactions are recorded accurately.

**View Responsible Official and Planned Corrective Actions:** The City's finance staff and City Manager are committed to adhering to GAAP (generally accepted accounting principles) to accurately record OPEB, compensated absences, SBITA, and deferred revenue, the other issues thereby strengthening the financial reporting process. The appropriate procedures and processes will be incorporated into the City's year-end closing processes.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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***Section IV – Findings and Questioned Costs – Major State Projects***

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Our audit did not disclose any matters required to be reported in accordance with Chapter 10.557.

## 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 (City), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated REPORT DATE.

### **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; 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 10.550, Rules of the Florida Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and 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, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated REPORT DATE, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

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

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

### **Financial Condition and Management**

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

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

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

### **Property Assessed Clean Energy (PACE) Programs**

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated in the City's geographical boundaries. A PACE program did not operate within the City's geographical boundaries during the fiscal year under audit.

### **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

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

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

**Purpose of this Letter**

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
REPORT DATE

DRAFT

## INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the City of Zephyrhills, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2025. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City, complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City, 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.

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

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 Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2025.

This report is intended solely for the information and use of the City and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

**CliftonLarsonAllen LLP**

Lakeland, Florida  
REPORT DATE

## **FINANCE DIRECTOR'S REPORT 2.2**

### FEMA Appeal - Engage Baker Donelson

#### **Issue:**

FEMA denied the City's \$748,283 claim for debris and tree removal in city parks. Carlisle & Thompson helped City staff compile the documentation submitted with the claim. However, because Carlisle & Thompson is not a law firm, it cannot represent the City in binding arbitration before the Civilian Board of Contract Appeals, where the claim could proceed if FEMA denies the first appeal. City staff and Carlisle & Thompson believe the documentation is strong and was submitted on time, despite FEMA's contrary statement in its Determination Memo.

Under the Baker & Donelson engagement letter, the estimated cost to file the appeal is \$20,000. If arbitration is required, the estimated additional cost is \$50,000. The engagement letter also lists the hourly rates for attorneys and support staff.

Carlisle & Thompson has also exhausted its \$175,000 purchase order. Staff recommends increasing the authorization by \$2,000 to help provide documentation for the appeal.

FEMA has approved just over \$500,000 in reimbursement for recovery costs and damages related to Milton. See the attached Milton Recovery Summary for details.

#### **Background:**

#### **Attachment(s):**

1. Milton Recovery Summary
2. Baker Donelson
3. FEMA Determination Memo
4. Milton Hercules Tree Damage

#### **Fiscal Impact:**

\$20,000 would come out of the Finance Department's professional fees in Fiscal Year 2026.

#### **Staff Recommendation:**

Authorize the City Manager to sign the Baker Donnelson engagement letter.



## Zephyrhills Significant FEMA Claims

FEMA Project	Description	Total City Cost	Federal Amount	State Amount	PRM Insurance Reimbursement	Submitted to FEMA	FEMA Status
804779	City Wide Emergency Protective Measures	\$ 266,559	\$ 266,559			5/16/2025	Obligated 8/13/25
808035	Lift Station 54	\$ 105,676	\$ 79,257	\$ 13,209		8/20/2025	Obligated 9/30/25
808185	Krusen Field - Dug Out	\$ 4,999	\$ 3,749	\$ 625	\$ -	8/2/2025	Obligated 10/27/25
808048	Hangar 200 Roof	\$ 63,522	\$ 3,424	\$ 570	\$ 58,413	1/31/2025	Obligated 1/8/26
808184	Krusen Field - Light Pole Damage	\$ 47,746	\$ 32,413	\$ 5,402		1/31/2025	Obligated 1/30/26
808088	Krusen Field Multiple Areas Football field	\$ 28,484	\$ 21,364			1/31/2025	Obligated 2/4/26
808144	Sunshade Chlorine Bldg   Double Doors Bldg G/ WW	\$ 28,597	\$ 20,670			9/26/2025	Obligated 2/19/26
808098	Alice Hall Roof	\$ 64,970	\$ 17,674	\$ 2,942	\$ 41,403	1/31/2025	Obligated 1/30/26
808038	Lift Station 28	\$ 11,000	\$ 8,388			7/1/2025	Pending PDMG Project Review 11/10/25
808086	Krusen Field Picnic Pavillion Roof	\$ 53,500	\$ 22,624	\$ 3,770	\$ 23,335	1/31/2025	Obligated 5/19/26
949044	Pump and Haul	\$ 2,358,926			\$ 2,124,582	4/11/2025	FEMA Claim Withdrawn
	Subtotal Milton Repairs from GL	\$ 3,033,979	\$ 476,122	\$ 26,518	\$ 2,247,733	\$ 2,750,373	
804792	Debris Removal from City Properties (Parks)	\$ 748,283	\$ -	\$ -	\$ -	5/22/2025	FEMA Denied Claim 5/4/26
801516	Debris Removal from Gated Communities	\$ 62,896	\$ -	\$ -	\$ -		FEMA Denied 2/17/26 Appealed 4/19/26
808118	Municipal Facilities and Components	\$ 25,430	\$ -	\$ -	\$ -		PDMG Review 5/28/25 to 11/4/25
808038	Lift Station 28 - Mitigation	\$ 211,930	\$ -	\$ -	\$ -		
949046	Cat B SPA Culvert Repair at WWTP - CMP	\$ 812,000				5/23/2025	Pending PDMG Application Review 5/29/25

WENDY HUFF ELLARD, SHAREHOLDER  
Direct Dial: 601.969.4681  
E-Mail Address: wellard@bakerdonelson.com

May 27, 2026

Ted Beason  
Finance Director  
City of Zephyrhills  
5335 Eighth Street  
Zephyrhills, FL 33542

RE: City of Zephyrhills, Florida; DR-4834-FL – Hurricane Milton

Dear Mr. Beason:

We are pleased that the City of Zephyrhills, Florida (the “City”) is considering an engagement with Baker, Donelson, Bearman, Caldwell & Berkowitz, PC (the “Firm” or “Baker Donelson”). It is our understanding that the City is seeking assistance related to the City’s submission of claims to the Federal Emergency Management Agency (“FEMA”) for damages caused by Hurricane Milton and related costs. It would be our pleasure to work with you and the City on this matter and others as we may mutually agree in the future.

The purpose of this letter is to provide more information about our Disaster Recovery and Government Services practice, provide further definition regarding the requested scope of work and pricing, and, if approved by you and the City, confirm our engagement as counsel including certain information concerning our fees, billing and collection policies, and other terms that will govern our relationship.

*Disaster Recovery and Government Services Practice.* More information about our Disaster Recovery and Government Services practice has been provided through our previous communications and can be found [here](#). If you have any questions or would like more information, please do not hesitate to ask.

*Limited Engagement.* This engagement would be limited in scope in the following respects. The Firm would not be the City’s general counsel; while there are a plethora of issues from natural disasters, the Firm would only be engaged for a few discrete tasks. Specifically, the Firm would engage to provide support related to the City’s ongoing efforts to seek FEMA reimbursement for costs related to Hurricane Milton. This may include advice and counsel regarding support for federal reimbursement of the costs of work performed by the City, eligibility guidance, appeals, and regulatory support as may be specifically requested. We have not presently been engaged to perform any additional services. When our advice and assistance on this work is concluded, this limited scope engagement will be concluded absent our agreement to extend to other matters.

Work provided to the City would be billed based on the below table.

<b>Team Member</b>	<b>Title</b>	<b>2026 Rates</b>
<a href="#"><u>Wendy Huff Ellard</u></a>	Shareholder	\$650.00
<a href="#"><u>Michelle Zaltsberg</u></a>	Shareholder	\$625.00
<a href="#"><u>Jordan Corbitt</u></a>	Associate	\$550.00
<a href="#"><u>Danielle Aymond</u></a>	Of Counsel	\$625.00
<a href="#"><u>Erin Greten</u></a>	Of Counsel	\$750.00
<a href="#"><u>Charles Schexnauldre</u></a>	Of Counsel	\$625.00
<a href="#"><u>Chris Bomhoff</u></a>	Associate	\$540.00
<a href="#"><u>Yann Kaufman</u></a>	Associate	\$510.00
<a href="#"><u>Rebecca Reynolds</u></a>	Associate	\$510.00
<a href="#"><u>Jaron Herd</u></a>	Disaster Policy Specialist	\$340.00
Melody Williams	Disaster Recovery Coordinator	\$295.00

Our rates are periodically adjusted (usually annually on January 1) and the rates of attorneys working on this matter may be raised based on market considerations and/or increased seniority or specialization of the lawyers involved. In the event we need to make an adjustment to the rates noted in this letter outside of the annual January 1 adjustment, we will discuss with you and seek prior approval from you and the City before any changes are implemented.

During our prior communications regarding possible support of the City, you asked that we prepare and submit several task-specific estimates. See below for a recap of the estimates provided; however, as previously advised, these estimates are based on our limited understanding of the underlying facts and circumstances related to costs incurred by the City and without review of any communications or submissions to or with FEMA. It is possible these estimates may change as we learn more, but we will set alerts in our system and alert you and the City in the event the expected costs are nearing the below estimates for any engaged task(s). In all cases, the City would only be billed for actual hours worked, and we would stop work at the amounts below and only proceed with your approval.

- **Preparation and Filing of First Appeal** - \$20,000-\$25,000 – You asked for an estimate to prepare and file a First Appeal. This task and estimate would include the costs to research the City’s claimed costs and prepare and file a First Appeal. The City has been advised and understands that the filing deadline for a First Appeal is **July 3, 2026**.

- **Preparation and Filing of Arbitration** - \$50,000 – After the above, in the event that the First Appeal is denied, this would be the estimated cost to file the dispute for binding arbitration before the Civilian Board of Contract Appeals (CBCA). The cost of arbitration can vary widely depending on the type of issue and how FEMA handles the case. The cost depends largely on cost of preparation of the initial Request of Arbitration package and next on whether we request a hearing and the witnesses needed.

*Potential Conflicts of Interest.* Baker Donelson represents a broad range of clients that may be involved in various aspects of recovery efforts from natural disasters. Those clients include states and municipalities and their various agencies, specifically including local governments and public authorities; non-profit entities eligible for FEMA disaster assistance; private contractors that engage in multiple industries, including program management, design and engineering, debris removal and construction; other public and private property owners; project owners; insurance companies; and third party administrators and individuals. We also have a robust pro bono practice as our lawyers contribute their time to those in need. Thus, the Firm assists a number of different types of public and private entities and individuals, both regarding their FEMA claims and appeals and to represent contractors in various clean-up, removal and construction industries.

In the course of our representation, the Firm may obtain confidential information regarding one party which may be of interest to the other. We cannot disclose such information. The Firm plans to represent the City in this engagement and will vigilantly protect the confidentiality of our communications with the City. We will also vigorously represent the Firm's other clients on their matters and will vigilantly protect the confidentiality of our communications with these other clients as well.

The City acknowledges in this engagement the Firm's representation of these other clients and their claims and agrees that by accepting this limited scope engagement, Baker Donelson will not be precluded from representing the Firm's other clients now and in the future in these various aspects of the disaster recovery process including transactions and litigation. The City acknowledges that the Firm's review of a specific contract or form of contract for FEMA and federal regulatory compliance is not a general engagement with respect to that contract or project and is not an engagement to review the scope of work, design, engineering, change orders, or contract performance. Accordingly, should a dispute later arise between vendors or contractors and the City, Baker Donelson's work under this engagement would not present a conflict for Baker Donelson's representation of the vendor or contractor adverse to the City.

Some of the Firm's representations of other clients as noted above may bear a relationship to similar FEMA work we perform for the City and some of our other clients may even be adverse to the City in transactions and disputes, including litigation. The City and the Firm agree that so long as the specific work and advice we provide to the City is not directly at issue and so long as we do not divulge any of the City's confidences, we may represent our other clients in those matters. This engagement includes the City's waiver of the conflicts of interest that might otherwise arise by virtue of our engagement with the City as outlined herein and

City of Zephyrhills, Florida

May 27, 2026

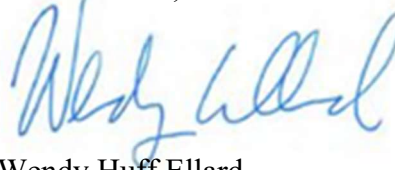
Page 4

consent to the representation by Baker Donelson of other parties in transactions and disputes, including future litigation.

If the terms described above and in the attached summary are satisfactory, please have a copy of the letter signed and returned to me. We are grateful for the opportunity to work with you and the City in connection with this matter, and we look forward to a mutually satisfactory relationship.

Sincerely,

BAKER, DONELSON, BEARMAN,  
CALDWELL, & BERKOWITZ, PC



Wendy Huff Ellard

#### **AGREEMENT WAIVER AND CONSENT**

We have carefully read the foregoing letter, have considered all information necessary and useful in determining whether or not to consent to the representation outlined above and to waive the conflicts of interest described therein. We have been encouraged to consult with independent counsel regarding this consent to representation and waiver of the conflicts of interest. We are fully aware of our legal rights in this regard. Upon reasoned reflection, we hereby voluntarily agree to waive these conflicts of interest and confirm our consent to the Baker Donelson representations as outlined above. In addition, we agree that we will respect the confidences of the other clients with Baker Donelson and the attorney-client privilege with respect to the other clients of Baker Donelson.

#### **AGREED AND ACCEPTED:**

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**William Poe**  
**City Manager**  
**City of Zephyrhills, Florida**

**Dated:** \_\_\_\_\_

## **TERMS OF ENGAGEMENT**

We appreciate your decision to retain Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. (the "Firm", "we" or "us") as legal counsel. Except as modified in writing by the accompanying engagement letter or in another agreement signed by the Client, as defined below, and the Firm, the following provisions apply to this and all engagements between the Client and the Firm.

1. **CLIENTS.** The Firm's engagement is to represent only the person(s) or entity(s) identified as a client in the engagement letter accompanying these Terms of Engagement ("Client", "Clients", or "you"). The Firm's representation of you does not give rise to an attorney/client relationship between the Firm and any of your parent, subsidiary, or affiliated companies, employees, officers, directors, shareholders, members, partners or other related individuals, unless the Firm agrees otherwise in writing, and you agree representing you does not create a conflict of interest with any such non-represented entities or individuals in the event the Firm represents other clients adversely to their interests. You also agree neither an attorney/client relationship nor a basis for a claim of conflict of interest will arise solely from your providing us with confidential information about any such non-represented entities or individuals. By way of examples, if Client is a partnership, the Firm represents the partnership and not any of its partners; if the Client is trade City or similar City, the Firm's client is the City and not any its members.

2. **SCOPE OF ENGAGEMENT.** The scope of the Firm's representation of the Clients is limited to the specific matter identified in the accompanying engagement letter (the "Matter") and such additional Matters as the Clients and the Firm may agree in writing.

Client acknowledges Client is not seeking advice regarding possible insurance coverage with respect to any claims that may be asserted against Client in the Matter or regarding any insurance for the costs of defending such claims. The Firm will not undertake to review any such coverage or advise Client regarding such coverage unless the Firm agrees in writing to do so.

Client further acknowledges Client is engaging the Firm to provide representation in a specific matter. After completion of the matter, changes may occur in applicable laws or regulations that could have an impact on Client's rights and liabilities. Client agrees, unless Client actually engages the Firm after the completion of the Matter to provide additional advice or representation on issues arising from the Matter, the firm has no continuing obligation to advise as to future developments.

3. **FEES, RETAINERS, DEPOSITS, AND ESTIMATES.** The amount of time and effort required to handle a legal matter is often unpredictable and changes over time. If we furnish an estimate of the fees and expenses expected for your Matter, you agree the estimate or budget is not a maximum or fixed fee quotation and is not a binding agreement to handle your Matter for the amount of the estimate. Any retainer or other trust deposits we receive from you will be placed in a pooled trust account.

The Client will not receive interest on any funds deposited with us. Law firms are required to maintain trust

accounts with interest paid to organizations or charitable funds specified by the applicable bar City or lawyer regulatory board ("IOLTA Accounts"). Any deposits, retainers, or other funds held to secure fees or otherwise, will be held in one of the Firm's IOLTA Accounts unless we specifically agree otherwise. If you pay a retainer or deposit to secure fees, or if the Firm holds funds in its IOLTA Accounts otherwise belonging to you, you expressly authorize the Firm to pay any outstanding invoices you owe to the Firm from the funds held in the IOLTA Accounts. Any unearned portion of a retainer or deposit will be refunded to you, *provided however*, that if we are unable to locate you after a reasonable and diligent search, such funds (1) may be remitted to an appropriate State agency if required by law or by applicable Rules of Professional Conduct, or (2) retained by the Firm if so permitted by law or by applicable Rules of Professional Conduct.

4. **EXPENSES.** In addition to legal fees, our invoices will include out-of-pocket expenses we have advanced on your behalf and other charges (which may exceed actual direct costs) for certain support activities. The Firm reserves the right to instead require you pay directly any expenditures of \$100.00 or more.

5. **INVOICES.** Payment of our invoices is due upon receipt of our invoice and will be considered past due if not made within 30 days from date of invoice. In the event an invoice is not fully paid within 60 days from the date it was rendered, we will have the discretion to (a) charge interest at .5% per month or the maximum interest rate allowed by law (whichever is less), (b) withdraw from the Matter if we determine in our discretion that our withdrawal is appropriate under the circumstances, and (c) engage attorneys in-house or outside the firm to collect the unpaid bills. By retaining us under these terms, the Client agrees we are entitled to attorneys' fees and costs and may file liens, even on your Matter or on other assets, if collection activities are necessary. The Client agrees non-payment of invoices shall entitle us to stop work and withdraw from your representation in any Court or administrative proceeding, and you agree not to contest any such withdrawal while still being responsible for all of the fees and expenses incurred.

6. **BILLING INQUIRIES.** We invite our Clients to discuss freely with us any questions they have concerning a fee charged for any matter. You agree to be prompt with any inquiry so we can respond with up-to-date knowledge of the factual situation, as we desire our Clients to be satisfied with both the quality of our services and the reasonableness of the fees we charge for those services.

7. **THIRD PARTIES SUCH AS EXPERTS AND COURT REPORTERS.** During the course of our representation, it may be appropriate or necessary to hire third parties to provide services on your behalf. These services may include consulting or testifying experts, investigators, providers of computerized litigation support, discovery services, court reporters and other outsourced work. Because of the potential attorney-work product protection afforded when an attorney directly engages third parties, in certain situations our Firm may assume oversight responsibility for retaining the appropriate service providers. If we do so, the Firm will

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consult with you and will secure your approval for any major engagement; however, you will be solely responsible for paying all fees and expenses directly to the service providers, or for reimbursing the Firm for all of these third-party costs.

8. **DUTIES OF CLIENTS AND ATTORNEYS.** We will provide the legal services described in the accompanying engagement letter. You will provide us with such factual information and materials as we determine are necessary to perform the services identified in the engagement letter. You must keep the Firm informed immediately of any change of address, email, telephone number or employment, and you must advise the Firm of all relevant developments in a timely manner. Your full disclosure to us of all facts and your full cooperation are essential to enable us to represent you effectively and properly. It is understood and agreed the Client is not relying on us for business, investment, financial, accounting or other non-legal advice, or to investigate the character or creditworthiness of persons with whom you may be dealing. We will keep the Client advised of developments as necessary to perform our legal services and will consult with you as necessary to ensure the timely, effective and efficient completion of our work.

Any expressions on our part concerning any outcome involving your legal matters are expressions of our professional judgment but are not promises or guarantees. Our opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed. The Client acknowledges and agrees we have not made and will not make any guarantees as to results or final outcome in the disposition of any phase of any matters for which we have been retained. We do not control adverse parties, third parties, witnesses, their lawyers, or the Courts, and therefore we cannot guarantee any particular results.

Our Rules of Professional Conduct and applicable laws impose duties that permit or require us to perform due diligence and report questionable, illegal, or fraudulent actions to higher authorities within your entity or to third parties, even government agencies. You hereby authorize us, within our considered discretion and subject to the requirements imposed upon us, to report to higher authorities within your entity or outside it.

9. **DISCLOSURE OF CLIENT NAME.** From time to time we are required by law, rule or Court order to disclose the name of our clients. In other circumstances, we are proud to acknowledge our relationships with our clients in publications or marketing materials. You agree to allow us to use your name as a client of the Firm.
10. **FILES.** Firm policies include procedures for the retention, return and destruction of client information, documents and records. We notify you here and you agree the Firm may retain, return and/or destroy materials and documents related to your Matter in accordance with Firm client information governance procedures unless other specific procedures are requested by you and agreed by the Firm. The Firm will return to you upon request original documents such as contracts, deeds, wills, etc. We encourage you strongly to retain all of the documents, pleadings, contracts, exhibits, letters, electronic communications, electronically stored information ("ESI"), US Mail, e-mails, billings and all other documents and information we send to you or you send to the Firm throughout the Firm's representation of you on the Matter, as those documents will collectively represent your Client Matter File. You agree your Client Matter File will not include (a) the Firm's communications covered by

the Firm Privilege as defined in Section 11, below, (b) Firm administrative records such as time and expense reports, personnel files, staffing and accounting records, and (c) internal lawyers' communications, work product such as drafts, notes, internal memoranda, and legal and factual research including investigative reports. You agree these materials are not part of your Client Matter File and will not be produced to you during our handling of the Matter or after its conclusion. If you desire additional copies of materials in our Client Matter File at any time during our handling of the Matter or after its conclusion, we reserve the right to charge you for the time of attorneys and other Firm personnel and for collection review, copy and shipping charges and, in the case of closed Matters, to require payment in advance.

11. **FIRM PRIVILEGED COMMUNICATIONS.** The occasion might arise for the Firm, at the Firm's expense, to consult regarding the Matter with internal or external counsel advising the Firm ("Firm Privileged Communications"). To the extent we are addressing our own rights, ethical duties or responsibilities, a conflict of interest might be deemed to exist between the Firm and the Client as to such Firm Privileged Communications, particularly if a dispute were ever to arise between the Firm and the Client regarding the Matter. A condition of this engagement is you hereby consent to protect the confidentiality of Firm Privileged Communications and waive any claim of conflict of interest based on such Firm Privileged Communications that could otherwise disqualify the Firm from continuing to represent you or from acting on the Firm's behalf, even if such Internal Communications might be deemed adverse to your interests. You acknowledge and agree any such Firm Privileged Communications are confidential and protected by the Firm's own attorney-client privilege from disclosure even if they concern a potential claim of professional liability, professional conduct, or other claim that might be considered a conflict of interest or breach of duty. This section does not otherwise alter our obligations to you as your lawyers.
12. **SUBPOENAS AND COMPLAINTS.** From time to time the Firm itself may be subpoenaed, served other legal process or served document and other discovery requests, via various means, to provide documents and/or testimony regarding your Matter, whether it is ongoing or has been concluded ("Discovery Requests"). We provide notice here, when the Firm is so subpoenaed or so requested, you will be required to pay for our efforts in complying with or resisting such Discovery Requests in a manner considered appropriate by us in our professional judgment. Such efforts may include, without limitation, opposing or accomplishing collection, review and production of documents and Electronically Stored Information (ESI) as well as preparation time and deposition time for testimony of any of the Firm's employees and lawyers. If you have counsel other than the Firm regarding the proceeding in which such discovery is sought, the Firm will work closely with your current counsel. If the Matter remains open when such discovery is sought, we will bill you for our efforts at attorney fee rates and expense charges consistent with our engagement for the Matter. If the Matter has been concluded at the time such discovery is sought, we will bill you for our efforts at the Firm's regular attorney fee rates and expense charges when such discovery is sought.

Upon receipt of a Board or Bar Complaint, or a motion to disqualify or similar complaint or demand regarding the Firm or its lawyers (collectively "Bar

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Complaints"), and if such Bar Complaint is brought or lodged by an adverse party in or related to your Matter, you agree to consult with the Firm as to the appropriate manner in which to respond to such Bar Complaint, including whether the defense of any Bar Complaint is within the scope of our representation of you and whether such Bar Complaint may create a conflict of interest for the Firm. In instances where you agree the Bar Complaint is an integral part of the scope of our representation of you in your Matter, we will bill you for our efforts in defending such Bar Complaints consistent with our engagement for the Matter. If the Bar Complaint poses either in the view of the Firm or in your view a conflict of interest for your continued representation by the Firm, the Firm reserves the right or may be required to withdraw from your Matter.

13. **CONSENT TO REPRESENTATIONS/WAIVER OF FUTURE CONFLICTS OF INTEREST.** To the extent permitted by applicable Rules of Professional Conduct, the Firm's agreement to represent the Client in the Matter is conditioned upon the understanding and your consent we are free to represent any other clients (including the Client's adversaries), and to take positions adverse to either the Client or to an affiliate or related party of the Client, in any other matters (whether involving the same substantive area(s) of law for which the Client has retained us or some other unrelated area(s), and whether involving business transactions, counseling, litigation or otherwise), which do not involve the same or substantially related factual matters as does the Matter for which the Client has retained the Firm, and the Firm does not possess or will not use confidential information of the Client materially relevant to the new matters.
14. **DISQUALIFICATION.** The Firm provides services on a wide variety of legal subjects to a large number of clients. We will, of course, hold in confidence the secrets and confidences of all of our clients. The Client understands and agrees the Firm may obtain confidential information from other clients that could be of interest to you, and the Firm cannot share such information with you. To the extent permitted by applicable Rules of Professional Conduct, the Client agrees to (a) not seek to disqualify the Firm from any present or future representation, (b) consent to our representations of other clients, and (c) waive any actual or potential conflict of interest that may arise from such current or future representations, so long as those other representations do not involve the same or substantially related factual matters as a currently active or previous engagement for the Client, and concurrently we agree not to use any Client confidential information learned from the Client against your interests.

If you are professionals, the Client agrees the Firm may represent clients that are adverse to entities you represent. If, separately from the Matter the Client is part of a class action or aggregation of plaintiffs, the Client agrees the Firm may defend such class action or other aggregated claims as long as those claims are not the same as or substantially related to the Matter upon which we represent the Client. The Client agrees we may represent other clients in unrelated matters on legal positions that may be adverse to your position in the Matter, but the Firm agrees not to do so concurrently in front of the same tribunal. The Client agrees any merger or acquisition involving the Client will not create a new attorney-client relationship with any other entity besides the Client(s) identified in the engagement letter for the Matter and will not create a conflict of interest with any

other client. If the Client has any questions or concerns about the consequences of these waivers and consents, we urge the Client to consult with separate counsel.

15. **TERMINATION OF REPRESENTATION.** The Client or the Firm may terminate this engagement at any time for any reason upon reasonable written notice, subject on the Firm's part to applicable rules of professional conduct and the rules of an applicable court or other tribunal. If the Firm terminates the engagement, the Firm will take such steps as are reasonably necessary under the circumstances to protect your interest in the Matter. If a court's or other tribunal's permission is necessary for the Firm to withdraw from the representation, we will promptly apply for that permission and you agree to promptly engage successor counsel to represent you and not oppose the Firm's application to withdraw.

Unless terminated earlier, the Firm's representation of the Clients on the Matter will be considered terminated at the substantial completion of the Firm's substantive work for the Clients on the Matter. While we may send a final invoice or follow-up billing statements after substantial completion of our legal work, such billings do not extend the attorney-client relationship. Upon termination of our representation in the Matter, the attorney-client relationship will end unless the Client and the Firm have expressly agreed to a continuation with respect to other matters. In the unusual event a Court or tribunal of competent jurisdiction refuses to permit the Firm to withdraw upon termination or upon the Firm's request, you will remain responsible for fees and costs both past and future. Unless you instruct us to the contrary, after termination of our representation of you, the Firm may keep you on an electronic and paper mailing list we use to provide friends of the Firm with general information about various legal developments, and the Firm may retain in our files original documents that you have not asked to be returned to you as provided above, without forming or continuing an attorney/client relationship. You specifically agree we may keep your personal information and use it pursuant to our Privacy Policy as updated on our website, [www.bakerdonelson.com](http://www.bakerdonelson.com) and incorporated herein by reference.

16. **CLIENT SECURITY AND PRESERVATION OF EVIDENCE.** Both electronically and traditionally-stored information may be an important and irreplaceable source of information in your Matter, even if it is by nature transactional, business, regulatory or personal and does not presently involve litigation. Moreover, we have learned from our clients' experience litigation may arise from any sort of situation. Accordingly, we ask the Client take steps necessary to ensure all potentially relevant documents and electronically stored information be preserved by the Client during and after our handling of the Matter on your behalf.
17. **ELECTRONIC COMMUNICATIONS SECURITY.** Electronic transmission of information is customary between attorney and client but it is not performed with 100% certainty of confidentiality. Specifically, e-mails and other forms of electronic communication can be accessed both lawfully and unlawfully by sophisticated third parties, to the Client's detriment. Hotel, home, or other public servers to which others may have rights of access can jeopardize confidentiality, attorney/client privilege, and attorney work-product protection. The Firm encourages the Client to assure secure methods are used for communication of confidential or private information with the Firm, especially

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any communication containing Personally Identifiable Information or Protected Health Information. The Client consents to the use of standard e-mail and other forms of electronic communication regarding all aspects of the Firm's representation of the Client on the Matter.

Scammers and hackers are very prevalent in today's world. We work diligently to protect the security of our technology and electronic communications. We advise the Client not to click on links embedded within e-mails from us unless we have specifically notified the Client to expect such a communication or we have established a practice of using such links in your specific Matter. If you are unsure as to whether or not we have sent the Client a specific e-mail, we strongly urge the Client to call the Firm lawyers involved before clicking on an email link. In this way, the Client can reduce the possibility of opening a link containing a virus or malware.

## 18. **APPLICABLE LAW, VENUE AND BINDING AGREEMENT.**

Unless the engagement letter specifically selects the law of a different State, or the Rules of Professional Conduct or other laws applicable to the Firm's representation of the Client require otherwise, the State of Tennessee's laws shall be applicable to your engagement with the Firm, regardless of which one of our offices or lawyers assists you. The conflict of law rules in the State of Tennessee will not be applicable.

Unless the engagement letter specifically provides otherwise, or the Rules of Professional Conduct or other laws applicable to the Firm's representation of the Client require otherwise, any lawsuit arising out of our engagement on the Matter or on any other matter agreed to by you and the Firm in accordance with Section 1 above shall be brought only in the Western Division of the United States District Court for the Western District of Tennessee or, if that Court would lack subject matter jurisdiction, in a State Court of Shelby County, Tennessee. The Client hereby consents to personal jurisdiction and venue in those Courts.

The engagement letter and these Terms of Engagement and any guidelines or engagement letters from the Client that have been agreed to by the Firm shall constitute, collectively, the entire agreement between the parties relating to the Matter. Even if the Client fails to sign our engagement letter and return it to us, by instructing us to proceed after receiving our engagement letter the Client shall be deemed to have accepted these Terms of Engagement and agreed to the description of the scope of the Matter stated in our engagement letter. None of these

terms and conditions shall apply if in contravention of any applicable Rule of Professional Conduct.

If any of these Terms are unacceptable to the Client, please advise us now so that we can resolve any differences and proceed with a clear, complete and consistent understanding of our attorney client relationship. These Terms of Engagement shall be applicable to this engagement and all engagements and Matters in the future, unless future versions are made applicable to future engagements.

## 19. **CORPORATE TRANSPARENCY ACT.**

Beginning on January 1, 2024, the Corporate Transparency Act (CTA) requires many entities formed or registered in the United States to report information to the U.S. Department of Treasury's Financial Crimes Enforcement Network ("FinCEN"). For each reporting company, this includes detailed information about the company, its beneficial owners, and for newly formed entities, individuals involved in the formation of the company. Any changes to much of this information must be reported to FinCEN within a very short (30-day) time frame, and there may be both civil and criminal penalties for failing to comply with the CTA. Compliance with the CTA is the responsibility of the reporting companies, with the full cooperation of their beneficial owners. Our engagement does not include legal advice relating to any potential CTA reporting obligations, beneficial ownership analysis, FinCEN filing, or other assistance relating to the CTA *absent a further express written agreement*. For the avoidance of doubt, even if our engagement includes assistance in connection with (i) forming, registering, licensing, or otherwise qualifying a new legal entity, or (ii) a transaction that may trigger a reporting obligation, we will not be advising in connection with the CTA or any other similar State or local reporting obligations *absent an express written agreement/engagement to the contrary that sets forth the specific scope and parameters of our advice and assistance*. In no event shall we have any obligation to notify you of any changes in the CTA laws or monitor reporting companies for changes that may require updates or amendments to your CTA reports even if we become aware of them. This paragraph also applies to Trusts and Trustees, whether or not they are clients, and whether or not our lawyers act as fiduciaries.

## 20. **GENERATIVE ARTIFICIAL INTELLIGENCE.**

The Firm may use generative AI ("GAI") in a confidential manner consistent with the Rules of Professional Conduct and applicable court orders. The Firm will verify the GAI outputs before use.



**FEMA**

May 4, 2026

Kevin Guthrie  
Director  
Florida Division of Emergency Management  
2555 Shumard Oak Boulevard  
Tallahassee, FL 32399-2100

Jessica Carter  
Assistant Finance Director  
Zephyrhills, City of  
5335 8<sup>th</sup> Street  
Zephyrhills, Florida 33542

Re: FEMA Public Assistance Eligibility Determination – Zephyrhills, City of, PA ID 101-79225-00, FEMA-4834-DR-FL, Project 804792

Dear Kevin Guthrie and Jessica Carter:

The Department of Homeland Security's Federal Emergency Management Agency (FEMA) has determined that the work/cost is ineligible. Please see the enclosed FEMA Public Assistance Determination Memorandum for detailed information.

Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and applicable regulations, Zephyrhills, City of is entitled to appeal this eligibility determination. The Applicant may appeal this determination to the FEMA Region 4 Regional Administrator pursuant to Title 44 Code of Federal Regulations § 206.206. The appeal must: (1) contain documented justification supporting the Applicant's position, (2) specify the monetary figure in dispute, and (3) cite the provisions in federal law, regulation, or policy with which the Applicant believes the initial action was inconsistent. The Applicant should also include a current email address to receive electronic correspondence. The appeal must be submitted to the grantee, Florida Division of Emergency Management (FDEM) within 60 calendar days from the date FEMA electronically transmits its determination. The Recipient must then electronically forward the Applicant's first appeal, with a written recommendation, to the Regional Administrator within 120 calendar days from the date of the FEMA determination that is the subject of the appeal.

Lastly, the Applicant must submit all relevant supporting information with its first appeal. For reference, a current index of documents relevant to this determination is enclosed.

FEMA-DR-4834-FL  
Zephyrhills, City of  
May 4, 2026

If you have any questions, please contact Cassie Sykes, Florida Division of Emergency Management Appeals Officer, 448-229-2176 or email [FDEM-PA-APPEALS@em.myflorida.com](mailto:FDEM-PA-APPEALS@em.myflorida.com)

Sincerely,

Sterling Bridges  
Infrastructure Branch Director  
Federal Emergency Management Agency  
FEMA-4834-DR-FL

Enclosures:  
FEMA PA Eligibility Determination Memorandum  
Index of Documents



## ELIGIBILITY DETERMINATION MEMORANDUM Zephyrhills, City of

Project No.	804792	Applicant Type	<input type="checkbox"/> State Agency
Version No.	0		<input checked="" type="checkbox"/> Local Government
Impact List Nos.	1498341		<input type="checkbox"/> Tribe <input type="checkbox"/> Private Nonprofit
Project Title:		Debris Removal from City Properties	
Category of Work:		A – Debris Removal	

Amount Requested:	\$750,807.69	Eligibility Issue Type(s)	<input type="checkbox"/> Applicant Eligibility
Amount Denied:	\$750,807.69		<input type="checkbox"/> Facility Eligibility
Issue Keyword(s):		Immediate Threat; Debris Monitoring	

### Project Description:

During the incident period of October 5, 2024, through November 2, 2024, Hurricane Milton produced strong winds, tornadoes, torrential rain, and tidal surge, resulting in a major disaster declaration, DR-4834-FL, on October 11, 2024.

The City of Zephyrhills (Applicant) is an eligible applicant under the FEMA Public Assistance (PA) program as a local unit of government. The Applicant asserts that Hurricane Milton produced high winds and heavy rain which resulted in widespread debris deposition throughout the city, depositing an estimated 143,970 cubic yards of vegetative debris. In response, the Applicant utilized contract services and force account labor for its debris removal between October 10, 2024, and February 1, 2025. The Applicant is seeking \$750,807.69<sup>1</sup> in PA funding for its debris removal operations.

On November 7, 2025, FEMA issued an informal Request for Information (RFI) requesting additional information and documentation validating the eligibility of the claim. FEMA requested clarification of employees' hours, claimed activities, and equipment hours. FEMA also requested that the Applicant provide GPS locations of trees that needed trimming, trees and stumps that were removed, and photo evidence of these trees. FEMA also asked for clarification

<sup>1</sup> 804792-DR-4834-FL- Zephyrhills 4834 CAT A FAL FAE Summary - VCHR.xlsx



of invoicing for its contractors. On November 13, 2025, the Applicant responded to the RFI<sup>2</sup> by providing an updated labor summary spreadsheet,<sup>3</sup> maps indicating the locations of trees,<sup>4</sup> references to the in question work logs (214s),<sup>5</sup> explanations for the labor hours in question, and references to a list of pictures of removed trees that it stated were uploaded into Grants Portal. However, a review of the project’s document tab in Grants Manager did not locate these referenced documents.

The amount of \$750,807.69 is at issue.

**Issue:**

Can FEMA provide PA funding for Applicant’s debris removal operations if the Applicant has not provided evidence of immediate threat or did not monitor the contracted debris removal to show that the work was disaster related?

**Applicable Statutes, Regulations, and Policies in Effect as of the Declaration of the Emergency or Disaster:**

- **The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (Stafford Act):**

- § 403 Essential Assistance (42 U.S.C. § 5170b)
  - § 407 Debris Removal (42 U.S.C. § 5173)

- **Title 44 of the Code of Federal Regulations (44 C.F.R.):**

- § 206.201 Definitions used in this subpart
  - § 206.223 General Work Eligibility
  - § 206.224 Debris Removal

**FEMA Policy:**

- *Public Assistance Program and Policy Guide* FP 104-009-2 Version 4 (June 1, 2020) (PAPPG) at 99-107

**Analysis:**

FEMA is authorized to provide funding for emergency work that eliminates immediate threats to lives, public health and safety, and significant damage to improved property.<sup>6</sup> Section 403

<sup>2</sup> FW\_4834DR-FL (Zephyrhills, City of (101-79225-00) Project #804792 (Debris Removal from City Properties) - Debris Team Review.pdf

<sup>3</sup> 804792-DR-4834-FL- Zephyrhills 4834 CAT A FAL FAE Summary - VCHR.xlsx

<sup>4</sup> 804792-DR-4834-FL- FEMA RFI 08272025.zip

<sup>5</sup> 214's.zip

<sup>6</sup> Stafford Act § 403(a)



specifically identifies debris removal as eligible emergency work. Such work must be performed immediately to save lives, protect improved property and public health and safety, or to avert or lessen the threat of a major disaster.<sup>7</sup> If determined to be in the public interest, FEMA may provide grants to any state or local government for debris removal or wreckage resulting from a major disaster from publicly or privately owned lands and waters.<sup>8</sup>

Debris removal activities, such as clearance, removal, and disposal, are eligible as Category A if the removal is in the public interest, such as eliminating immediate threats to lives, public health, and safety, preventing significant damage to improved public or private property, or supporting the economic recovery of the affected community. Eligible debris includes vegetative debris, construction and demolition debris, sand, mud silt, gravel, rocks, boulders, white goods, vehicles or vessel wreckage. Removal of debris from improved property and public-right-of-way (ROWs), including federal-aid roads, is eligible.

To support eligibility, applicants must provide estimated debris quantities by type (required for all uncompleted work), photographs of debris impacts (if available), locations of temporary reduction and disposal sites, quantities of debris removed, reduced, disposed, and recycled (by type) with load tickets (required if contracted), tower logs (required if contracted), the basis for the immediate threat determination, debris locations, and documentation to substantiate the debris was deposited by the incident and was not pre-existing.<sup>9</sup>

FEMA requires applicants to monitor all contracted debris operations to ensure that the quantities and work claimed are accurate and eligible. This includes documenting debris quantities by types, quantities reduced, reduction methods, and pickup and disposal locations. Failure to monitor contracted debris removal jeopardizes PA funding for that work. Monitoring can be performed by force account resources (including temporary hires), contractors, or a combination, and does not require professional engineers or other certified professionals.<sup>10</sup>

Here, the Applicant utilized contract services as well as force account labor for hauling, staging, disposing, and conducting debris reduction and removal operations, collecting and disposing of approximately 143,970 cubic yards of vegetative debris citywide. The Applicant submitted contractor invoices<sup>11</sup> and employee time records<sup>12</sup> totaling \$750,807.69. FEMA reviewed the provided documentation and requested additional information and documentation to validate the eligibility of the Applicant's claim.

Upon review of the additional documentation, FEMA found that the Applicant's documented evidence failed to show that the debris was at a level of being a threat to public health, safety, or economic recovery of the community. The documentation did not allow FEMA to verify which stumps or trees were removed, or what equipment was used for the debris removal. Further, the

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<sup>7</sup> 44 C.F.R. § 206.201(b)

<sup>8</sup> Stafford Act § 407(a)(2)

<sup>9</sup> PAPPG at 99-100

<sup>10</sup> PAPPG at 107

<sup>11</sup> Zephyrhills 4834 Cat A ROW Landfill Summary.xlsx; Zephyrhills 4834 Cat A ROW Contract Work Summary v2.xlsx

<sup>12</sup> 804792-DR-4834-FL- Zephyrhills 4834 CAT A FAL FAE Summary - VCHR.xlsx



Applicant did not monitor its contracted debris removal as required, thereby preventing FEMA from verifying what was removed or the quantities claimed. As a result, FEMA could not validate the reasonableness of the costs, or confirm that the debris removal was in the public interest. Without proper monitoring and documentation, PA funding for the work cannot be provided.

**Eligibility Determination:**  Partially Approved  Denied

Because the Applicant did not provide the required documentation to demonstrate an immediate threat for its debris removal operations, nor adequately monitor the work to confirm it was disaster related and reasonable, FEMA is unable to validate the claim. As a result, FEMA must remove the costs totaling \$750,807.69, as these costs do not comply with federal regulations or FEMA policy.

**Notice of Right to Appeal:**

**The Applicant may appeal this determination to the Regional Administrator, pursuant to Title 44 of the Code of Federal Regulations § 206.206, Appeals. If the Applicant elects to file an appeal, the appeal must:**

- **Contain documented justification supporting the Applicant’s position.**
- **Specify the monetary figure in dispute; and**
- **Cite the provisions in federal law, regulation, and/or policy with which the Applicant believes the initial action was inconsistent.**

**The appeal must be submitted to the Recipient, Florida Division of Emergency Management (FDEM), by the Applicant within 60 calendar days from the date that FEMA electronically transmits notification of its determination. The Recipient's transmittal of that appeal, with recommendation, is required to be submitted to FEMA electronically within 120 calendar days from the date of the FEMA’s electronic determination that is the subject of the appeal. If you have any questions, please contact the Florida Division of Emergency Management, Ms. Cassie Sykes at [cassie.sykes@em.myflorida.com](mailto:cassie.sykes@em.myflorida.com).**

**Approval:**

PA Management: Sterling Bridges, Infrastructure Branch Director

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



### Document Index:

<b>File Name</b>	<b>Document Description</b>
804792-DR-4834-FL- Zephyrhills 4834 CAT A FAL FAE Summary - VCHR.xlsx	Cost Summary
FW_ 4834DR-FL (Zephyrhills, City of (101-79225-00) Project #804792 (Debris Removal from City Properties) - Debris Team Review.pdf	Debris RFI responses from applicant
804792-DR-4834-FL- FEMA RFI 08272025.zip	Information requested by the Debris Team
214's.zip	Work Logs
Zephyrhills 4834 Cat A ROW Landfill Summary.xlsx	Cost Summary
Zephyrhills 4834 Cat A ROW Contract Work Summary v2.xlsx	Cost Summary
804792-DR-4834-FL- Zephyrhills 4834 CAT A FAL FAE Summary - VCHR.xlsx	Cost Summary





## **PUBLIC HEARING 3.1**

### **Advisory Board Term Alignment**

Second Reading Ordinance No. 1518-26 " **AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING SECTIONS, 30.035, 30.132, 30.162, 30.172, AND 30.180, OF THE CODE OF ORDINANCES TO ALIGN BOARD AND COMMISSION TERMS WITH CITY COUNCIL AND MAYORAL TERMS; INCREASING TERMS OF OFFICE FROM THREE (3) YEARS TO FOUR (4) YEARS FOR THE MUNICIPAL AIRPORT AUTHORITY, PLANNING COMMISSION, PARKS AND RECREATION ADVISORY BOARD, LIBRARY ADVISORY BOARD AND THE HISTORIC PRESERVATION BOARD TO ALIGN THE BOARD AND COMMISSION WITH THE CITY COUNCIL AND MAYORAL TERMS; PROVIDING FOR STAGGERED TERMS, TRANSITION, REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE. "**

- A. Council President opens Public Hearing
- B. Council President closes Public Hearing
- C. City Council considers Ordinance No. 1518-26 on the Second Reading

### **Issue:**

City Council is requested to consider Ordinance No. 1518-26, amending provisions of the City Code relating to advisory board member terms.

### **Background:**

Ordinance No. 1518-26 updates various sections of the City Code to align advisory board member terms with the City Council's four-year term structure. In April 2023, the City Council approved Ordinance No. 1465-23, extending Council terms from two years to four years. The proposed ordinance revises applicable advisory board provisions to establish four-year terms for appointed members, creating greater consistency between advisory boards and the governing body they serve. The ordinance also updates related language throughout the Code for clarity and administrative consistency.

### **Attachment(s):**

1. Ordinance 1518-26 Advisory Board Term Alignment (38956841v1)
2. 06.08.2026 CCM ORD 1518-26 PROOF

### **Fiscal Impact:**

There is no fiscal impact associated with this ordinance.

**Staff Recommendation:**

Staff recommends approval.

**ORDINANCE NO. 1518-26**

**AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING SECTIONS, 30.035, 30.132, 30.162, 30.172, AND 30.180, OF THE CODE OF ORDINANCES TO ALIGN BOARD AND COMMISSION TERMS WITH CITY COUNCIL AND MAYORAL TERMS; INCREASING TERMS OF OFFICE FROM THREE (3) YEARS TO FOUR (4) YEARS FOR THE MUNICIPAL AIRPORT AUTHORITY, PLANNING COMMISSION, PARKS AND RECREATION ADVISORY BOARD, LIBRARY ADVISORY BOARD AND THE HISTORIC PRESERVATION BOARD TO ALIGN THE BOARD AND COMMISSION WITH THE CITY COUNCIL AND MAYORAL TERMS; PROVIDING FOR STAGGERED TERMS, TRANSITION, REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.**

**WHEREAS**, the City Council adopted Ordinance No. 1465-23 on July 24, 2023, amending the City Charter to increase the terms of office for the Mayor and City Council Members from three (3) to four (4) years; and

**WHEREAS**, certain advisory boards of the City have members appointed individually by City Council Members or the Mayor whose terms are intended to correspond with the appointing official's term of office; and

**WHEREAS**, the City Council desires to amend the Code of Ordinances to ensure all such advisory board terms align with the new four-year Council and Mayoral terms, while preserving proper staggering and continuity of service.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Zephyrhills, Florida as follows:

**Section 1. Amendment to Section 30.035 – Airport Authority**

Section § 30.035, Subsection (B) of the City of Zephyrhills Code of Ordinances is repealed and replaced as follows:

~~(B) The terms of office for the membership of the Authority Board shall be staggered. The term of office for each member shall be three years. Five members, seats 1–5, shall be appointed individually by each member of City Council (seats matching) with approval of the majority of City Council and they shall serve for three-year staggered terms. In year one (2013) there shall be initially appointed two members for one year (seats 2 and 4); two members for two years (seats 3 and 5); one member for three years (seat 1); in year two (2014) there shall be appointed one member for two years and one member for three years (to match the term length of City Council seats 2 and 4, as determined in that election process). One additional member (seat 6) shall be appointed and approved by the City Council, and this member shall serve a three-year staggered term. Initially this seat will be appointed for a three-year term (seat 6). The remaining member (seat 7) shall be appointed by the Mayor and approved by the City Council and shall serve a three-year staggered term. Initially in year one (2013) this member shall serve a one-year term. The Airport Authority Board shall have appointments made prior to the annual installment in June of each year.~~

(B) The term of office for each member shall be four (4) years. Five members, seats 1–5, shall be appointed individually by each member of City Council (seats matching) with approval of the majority of City Council and shall serve for four-year staggered terms aligned with the term of the appointing Council Member. Seat 6 shall serve a four-year staggered term as approved by City Council. Seat 7 shall be appointed by the Mayor and approved by City Council and shall serve a four-year term concurrent with the Mayor's elected term. The Airport Authority Board shall have appointments made prior to the annual installment in June of each year.

## **Section 2. Amendment to Section 30.132 – Planning Commission**

Section § 30.132, Subsection (B) of the City of Zephyrhills Code of Ordinances is repealed and replaced as follows:

~~(B) — *Membership; Mayor to serve.* There shall be seven Planning Commission members on this Commission, a majority of which shall be residents of the City of Zephyrhills. Five members, seats 1–5, shall be appointed individually by each member of City Council (seats matching) with approval of the majority of City Council and they shall serve for three-year staggered terms. In year one (2013) there shall be initially appointed two members for one year (seats 2 and 4); two members for two years (seats 3 and 5); one member for three years (seat 1); In year two (2014) there shall be appointed one member for two years and one member for three years (to match the term length of City Council seats 2 and 4, as determined in that election process). One additional member (seat 6) shall be appointed and approved by the City Council, and this member shall serve a three-year staggered term. Initially this seat will be appointed for a three-year term (seat 6). The Mayor shall serve a three-year staggered term which will run concurrent with his term as Mayor (seat 7). Initially in year one (2013) the Mayor will serve a one-year term. The Planning Commission shall have appointments made prior to the annual installment in June of each year.~~

(B) *Membership; Mayor to serve.* There shall be seven Planning Commission members on this Commission, a majority of which shall be residents of the City of Zephyrhills. Five members, seats 1–5, shall be appointed individually by each member of City Council (seats matching) with approval of the majority of City Council, and they shall serve for four-year staggered terms coinciding with the term of their appointing Council Member. One additional member (seat 6) shall serve a four-year staggered term, and the Mayor (seat 7) shall serve a four-year term running concurrent with the Mayor’s elected term. Alternate members shall serve four-year terms aligned with the seat for which they may substitute. The Planning Commission shall have appointments made prior to the annual installment in June of each year.

## **Section 3. Amendment to Section 30.162 – Parks and Recreation Advisory Board**

Section § 30.162, Subsection (A) of the City of Zephyrhills Code of Ordinances Subsection (A) is hereby amended as follows (with additions underlined and deletions stricken):

(A) There shall be seven Board members on this Board, all of which shall be residents of Pasco County. They shall be nominated and appointed by the majority vote of City Council and shall serve for ~~three-year~~ four-year staggered terms. There shall be initially appointed two members for ~~three~~ four years; three members for two years and two members for one year. This Board shall have appointment made prior to the annual installment in June of each year. Board members may be removed by the City Council as necessary due to cause.

## **Section 4. Amendment to Section 30.172 – Library Advisory Board**

Section § 30.172, Subsection (A) of the Code of Ordinances is hereby amended as follows (with additions underlined and deletions stricken):

(A) There shall be five Board members on this Board, all of which shall be patrons of the City of Zephyrhills Public Library. They shall be nominated and appointed by the majority vote of City Council and shall serve for ~~three-year~~ four-year staggered terms. There shall be initially appointed two members for ~~three~~ four years; two members for two years, and one member for one year. This Board shall have appointments made prior to the annual installment in June of each year. Board members may be removed by the City Council as necessary due to cause.

## **Section 5. Amendment to Section 30.180 – Historic Preservation Board**

Section § 30.180, Subsection (F) of the Code of Ordinances is hereby amended as follows (with additions underlined and deletions stricken):

(F) Terms of office. Members shall serve ~~three-year~~ four-year terms. In order to achieve staggered terms, initial appointments shall be: two members for two years; and three members for ~~three~~ four years. Members may be re-appointed on the expiration of their term during the annual installment of new members in June. Members shall continue in office until the appointment of a successor. Members appointed to fill a vacancy shall serve the remainder of the unexpired term. Initially, one alternate shall be appointed by City Council for two years and one alternate shall be appointed for ~~three~~ four years. The Historic Preservation Board alternates shall be appointed prior to the annual installment in June at the beginning of the term.

**Section 6. Transition.**

A. All current board members shall continue to serve until their present term expires; each such term is hereby extended by one (1) year to synchronize with the four-year Council and Mayoral cycle

B. Future appointments and reappointments shall thereafter be for four (4) years and expire concurrent with the appointing official's term of office.

C. This transition shall not shorten any member's service.

**Section 7. Repealer.**

All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

**Section 8. Severability.**

If any portion of this Ordinance is held invalid, the remaining sections shall remain in full force and effect.

**Section 9. Inclusion into the Code.**

It is the intent of the City Council that the provisions of this Ordinance shall be codified into Chapter 30 of the City of Zephyrhills Code of Ordinances and that section numbers may be renumbered or re-lettered as necessary to achieve that purpose.

**Section 10. Effective Date**

This Ordinance shall become effective immediately upon passage on the second reading and signing by the Mayor.

The foregoing Ordinance No. 1518-26 was read and passed on the first reading in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 11<sup>th</sup> day of May 2026.

Attest: \_\_\_\_\_  
Ricardo Quiñones, City Clerk

\_\_\_\_\_  
Steven F. Spina, Ph.D., Council President

The foregoing Ordinance No. 1518-26 was read and passed on the second reading in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 8<sup>th</sup> day of June 2026.

Attest: \_\_\_\_\_  
Ricardo Quiñones, City Clerk

\_\_\_\_\_  
Steven F. Spina, Ph.D., Council President

The foregoing Ordinance No. 1518-26 was approved by me this 8<sup>th</sup> day of June 2026.

---

Melonie Bahr Monson, Mayor

Approved as to legal form and content

---

Matthew E. Maggard, City Attorney

Serial Number  
26-01244P

# Business Observer

Published Weekly  
New Port Richey , Pasco County, Florida

COUNTY OF PASCO

STATE OF FLORIDA

Before the undersigned authority personally appeared Lindsey Padgett who on oath says that he/she is Publisher's Representative of the Business Observer a weekly newspaper published at New Port Richey , Pasco County, Florida; that the attached copy of advertisement,

being a Notice of Public Hearing

in the matter of Public Hearing on June 8, 2026  
Ordinance 1518-26

in the Court, was published in said newspaper by print in the issues of 5/29/2026

Affiant further says that the Business Observer complies with all legal requirements for publication in chapter 50, Florida Statutes.

\*This Notice was placed on the newspaper's website and floridapublicnotices.com on the same day the notice appeared in the newspaper.

  
Lindsey Padgett

Sworn to and subscribed; and personally appeared by physical presence before me,

29th day of May, 2026 A.D.

by Lindsey Padgett who is personally known to me.

  
Notary Public, State of Florida  
(SEAL)



Kimberly S. Martin  
Comm.:HH 282034  
Expires: July 25, 2026  
Notary Public - State of Florida

**NOTICE**  
**THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA**  
**WILL CONDUCT A PUBLIC HEARING ON THE FOLLOWING:**

**ORDINANCE 1518-26**  
**AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA,**  
**AMENDING SECTIONS, 30.035, 30.132, 30.162, 30.172, AND**  
**30.180, OF THE CODE OF ORDINANCES TO ALIGN BOARD AND**  
**COMMISSION TERMS WITH CITY COUNCIL AND MAYORAL**  
**TERMS; INCREASING TERMS OF OFFICE FROM THREE (3)**  
**YEARS TO FOUR (4) YEARS FOR THE MUNICIPAL AIRPORT**  
**AUTHORITY, PLANNING COMMISSION, PARKS AND RECRE-**  
**ATION ADVISORY BOARD, LIBRARY ADVISORY BOARD AND**  
**THE HISTORIC PRESERVATION BOARD TO ALIGN THE BOARD**  
**AND COMMISSION WITH THE CITY COUNCIL AND MAYORAL**  
**TERMS; PROVIDING FOR STAGGERED TERMS, TRANSITION,**  
**REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFEC-**  
**TIVE DATE.**

The public hearing will be held on June 08, 2026 at 6:00 p.m. in Council Chambers, City Hall, 5335 8th Street, Zephyrhills, Florida. The full text of the ordinance is posted in City Hall and may be inspected by the public from 8:00 a.m. to 5:00 p.m. weekdays. All interested parties may appear at the meeting and may be heard with respect to the proposed ordinance or may submit written comments to City Council, 5335 8th Street, Zephyrhills, FL 33542.

\* 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. FS. 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.

286.0105  
May 29, 2026

26-01244P

## **BUSINESS ITEMS 4.1**

A.D. Morgan Change Order - Civil Engineering for City Complex [37-25-09]

### **Issue:**

City Maintenance Complex change order for civil changes

### **Background:**

Due to new SWFWMD and FDEP design guidelines, additional civil design and construction is required.

### **Attachment(s):**

1. Zephyrhills\_Fleet\_Maintenance\_Complex - PCCO 09 - Buyout Savings
2. Zephyrhills\_Fleet\_Maintenance\_Complex - PCCO 10 - Civil Changes
3. Narrative Letter\_2026\_0601

### **Fiscal Impact:**

The guaranteed maximum price (GMP) will not change. The additional civil design and construction will be funded by the project's buyout. Project contingency will remain the same.

### **Staff Recommendation:**

The Public Works Director and City Manager recommend approval of this item as presented.

The A.D. Morgan Corporation  
 716 Renellie Drive  
 Tampa, Florida 33609  
 Phone: (813) 832-3033

**Project:** P2024-057 - Zephyrhills Fleet Maintenance Complex  
 39421 South Avenue  
 Zephyrhills, Florida 33542

## Prime Contract Potential Change Order #009: Contract Buyout - GMP Adjustments

<b>TO:</b>	City of Zephyrhills 5335 8th Street Zephyrhills, Florida 33542	<b>FROM:</b>	The A.D. Morgan Corporation 716 Renellie Drive Tampa, Florida 33609
<b>PCO NUMBER/REVISION:</b>	009 / 0	<b>CONTRACT:</b>	01 - City Complex Fleet Maintenance - Zephyrhills
<b>REQUEST RECEIVED FROM:</b>		<b>CREATED BY:</b>	Logan Mushro (The A D Morgan Corporation)
<b>STATUS:</b>	Pending - In Review	<b>CREATED DATE:</b>	6/1/2026
<b>REFERENCE:</b>		<b>PRIME CONTRACT CHANGE ORDER:</b>	#004 - Contract Buyout - GMP Adjustments
<b>FIELD CHANGE:</b>	No		
<b>LOCATION:</b>		<b>ACCOUNTING METHOD:</b>	Amount Based
<b>SCHEDULE IMPACT:</b>		<b>PAID IN FULL:</b>	No
<b>EXECUTED:</b>	No	<b>SIGNED CHANGE ORDER RECEIVED DATE:</b>	
		<b>TOTAL AMOUNT:</b>	\$0.00

**POTENTIAL CHANGE ORDER TITLE:** Contract Buyout - GMP Adjustments

**CHANGE REASON:** GMP Line Item Adjustment

**POTENTIAL CHANGE ORDER DESCRIPTION:** *(The Contract Is Changed As Follows)*

CE #001 - Contract Buyout - GMP Adjustments

This change event reflects a reallocation of funds within the existing contract value to align with finalized subcontractor buyout amounts. No change to overall contract scope; this adjustment redistributes budgeted values to accurately reflect executed agreements.

**ATTACHMENTS:**

#	Budget Code	Description	Amount
1	26.26-0000.S Electrical.Electrical.Subcontract	Buyout Savings	\$(4,302.25)
2	22.22-0000.S Plumbing.Plumbing.Subcontract	Buyout Savings	\$(14,200.00)
3	07.07-9200.S Thermal & Moisture Protection.Joint Sealants.Subcontract	Buyout Savings	\$(3,500.00)
4	05.05-1200.S Metals.Structural Steel Framing.Subcontract	Buyout Savings	\$(30,763.20)
5	22.22-0000.S Plumbing.Plumbing.Subcontract	Buyout Savings	\$(12,000.00)
6	79.79-0000.O Buyout Savings.Buyout Savings.Other	Buyout Savings	\$570,444.83
7	06.06-1000.S Wood & Plaster.Rough Carpentry.Subcontract	Buyout Savings	\$(10,048.00)
8	09.09-3013.S Finishes.Ceramic Tiling.Subcontract	Buyout Savings	\$(47,636.80)
9	09.09-6500.S Finishes.Resilient Flooring.Subcontract	Buyout Savings	\$(15,086.40)
10	09.09-9100.S Finishes.Painting.Subcontract	Buyout Savings	\$(142,993.78)
11	11.11-7000.S Equipment.Automotive Equipment.Subcontract	Buyout Savings	\$(199,782.40)
12	32.32-3100.S Exterior Improvements.Fences and Gates.Subcontract		\$(90,132.00)



The A.D. Morgan Corporation  
 716 Renellie Drive  
 Tampa, Florida 33609  
 Phone: (813) 832-3033

**Project:** P2024-057 - Zephyrhills Fleet Maintenance Complex  
 39421 South Avenue  
 Zephyrhills, Florida 33542

## Prime Contract Potential Change Order #010: CE #007 - Civil Changes - Issued for Construction Set

<b>TO:</b>	City of Zephyrhills 5335 8th Street Zephyrhills, Florida 33542	<b>FROM:</b>	The A.D. Morgan Corporation 716 Renellie Drive Tampa, Florida 33609
<b>PCO NUMBER/REVISION:</b>	010 / 0	<b>CONTRACT:</b>	01 - City Complex Fleet Maintenance - Zephyrhills
<b>REQUEST RECEIVED FROM:</b>		<b>CREATED BY:</b>	Logan Mushro (The A D Morgan Corporation)
<b>STATUS:</b>	Pending - In Review	<b>CREATED DATE:</b>	6/1/2026
<b>REFERENCE:</b>		<b>PRIME CONTRACT CHANGE ORDER:</b>	#005 - CE #007 - Civil Changes - Issued for Construction Set
<b>FIELD CHANGE:</b>	No		
<b>LOCATION:</b>		<b>ACCOUNTING METHOD:</b>	Amount Based
<b>SCHEDULE IMPACT:</b>		<b>PAID IN FULL:</b>	No
<b>EXECUTED:</b>	No	<b>SIGNED CHANGE ORDER RECEIVED DATE:</b>	
		<b>TOTAL AMOUNT:</b>	\$0.00

**POTENTIAL CHANGE ORDER TITLE:** CE #007 - Civil Changes - Issued for Construction Set

**CHANGE REASON:**

**POTENTIAL CHANGE ORDER DESCRIPTION:** *(The Contract Is Changed As Follows)*

CE #007 - Civil Changes - Issued for Construction Set

This proposal includes costs associated with revisions to the civil drawings dated 05/20/2026 resulting from review comments issued by the Southwest Florida Water Management District and the City of Zephyrhills.

Due to the timing of these drawing revisions and the resulting impact on project sequencing and on-site construction progress, AD Morgan reserves the right to request a time extension of up to ten (10) calendar days should the delay materially affect the project schedule.

At this time, AD Morgan is not requesting any additional contract time; however, all rights to pursue a schedule adjustment related to these revisions are expressly reserved pending further evaluation of the project's progress and impacts.

**ATTACHMENTS:**

[COZ FLEET MIANTENANCE C\\_O CALC - Sheet1-2.pdf](#) , [\\_COZ FLEET MIANTENANCE C\\_O CC PERMIT SET - Sheet1-2.pdf](#) , [\\_City of Zephyrhills Change Order 004.pdf](#)

#	Budget Code	Description	Amount
1	31.31-2000.S Earthwork.Earth Moving.Subcontract	Civil Design Changes - 5/20/26	\$468,136.92
2	03.03-3000.S Concrete.Cast-in-Place Concrete.Subcontract	Civil Design Changes - 5/20/26	\$40,979.07
3	79.79-0000.O Buyout Savings.Buyout Savings.Other	Civil Design Changes - Budget Transfer from Buyout Savings	\$(509,115.99)
<b>Subtotal:</b>			<b>\$0.00</b>
Overhead & Profit (0.00% Excludes Cost Type (25)):			\$0.00
<b>Grand Total:</b>			<b>\$0.00</b>

**John Lenti (CPH Consulting, LLC)**

**City of Zephyrhills**  
5335 8th Street  
Zephyrhills, Florida 33542

**The A D Morgan Corporation**  
716 N. Renellie Dr.  
Tampa, Florida 33609

\_\_\_\_\_  
**SIGNATURE** **DATE**

\_\_\_\_\_  
**SIGNATURE** **DATE**

\_\_\_\_\_  
**SIGNATURE** **DATE**



5601 Mariner Street, Suite 240  
Tampa, Florida 33609  
Phone: 813.288.0233  
Fax: 813.288.0433

[www.cphengineers.com](http://www.cphengineers.com)

June 1st, 2026

City of Zephyrhills  
City Council  
5335 8<sup>th</sup> Street  
Zephyrhills FL, 33542

**Re:** Narrative Letter – SWFWMD Stormwater Rule Changes

CPH initiated the Southwest Florida Water Management District (SWFWMD) Environmental Resource Permit (ERP) process for the City of Zephyrhills Public Works and Utilities Campus project with an initial permit application submittal on May 30, 2025. At the time of design and permit submittal, the project's stormwater management system was designed in accordance with the requirements of the SWFWMD Applicant's Handbook, Volume II, effective June 2018. The stormwater design criteria, calculations, and supporting documentation were prepared based on the rules and regulations in effect at that time. Please see the rule reference below that was utilized in the design of the project's stormwater management system:

**c. On-line Retention Treatment Systems.**

1. An on-line retention treatment system shall treat the runoff from the first one-inch of rainfall; or as an option for projects or project sub-units with drainage areas less than 100 acres, the first one-half inch of run-off. In determining the runoff from one-inch of rainfall, the applicant must provide calculations determining runoff from the directly connected impervious and semi-impervious areas separately from any other contributing area.

Throughout the design and permitting process, CPH responded to Requests for Additional Information (RAIs) from both the City and SWFWMD regarding the drainage design. As part of the RAI review process, the City's third-party engineering consultant requested additional geotechnical testing to verify the infiltration capacity of the existing dry retention pond located on the project site. CPH provided technical justification supporting the existing design and requested reconsideration of the additional testing requirement, including photographs and supporting data demonstrating that the pond was functioning as intended. CPH also noted that no modifications were proposed to the existing dry retention pond. However, the additional testing requirement was ultimately maintained, and the geotechnical investigation commenced in November 2025. The revised geotechnical report was completed on February 9, 2026.

Meanwhile, the Florida Department of Environmental Protection (FDEP) implemented updated stormwater management regulations that became effective for projects that had not received permit approval by the end of 2025. Because permit approval for the Public Works and Utilities Campus project remained pending while the additional geotechnical testing was being completed, the project became subject to the new regulatory requirements.

The updated stormwater management criteria applicable to this project, as contained in the Applicant's Handbook Volume II effective October 31, 2025, are excerpted below.

### **8.3.2 Minimum Stormwater Treatment Performance Standards for All Sites**

Except as described in sections **8.3.4 through 8.3.6** below, all stormwater treatment systems shall provide a level of treatment sufficient to accomplish the greater of the following nutrient load reduction criteria:

- (a) an 80 percent reduction of the average annual loading of total phosphorus (TP) and a 55 percent reduction in the average annual loading of total nitrogen (TN) from the proposed project; or
- (b) a reduction such that the post-development condition average annual loading of nutrients does not exceed the predevelopment condition nutrient loading.

### **8.3.4 Minimum Performance Standards for Impaired Waters**

- (a) Stormwater treatment systems located within a HUC 12 subwatershed which contains an impaired water, and located upstream of that impaired water, shall provide a level of treatment sufficient to accomplish:
  - 1. an 80 percent reduction of average annual loading of TP and TN from the proposed project, or a 95 percent reduction of average annual loading of TP and TN from the proposed project where located within such a HUC 12 subwatershed containing an OFW and located upstream of that OFW; and
  - 2. a reduction such that the post-development condition average annual loading of nutrients does not exceed the predevelopment condition nutrient loading; and

Upon receipt of the revised geotechnical report on February 9, 2026, the project's stormwater management design was updated to comply with the new regulatory requirements described above. The revised design was submitted to SWFWMD on February 19, 2026, and the permit was subsequently approved on April 23, 2026.

To achieve the required reductions in Total Phosphorus (TP) and Total Nitrogen (TN) under the updated regulations, additional stormwater treatment measures were required beyond those typically associated with a conventional pond system. CPH evaluated several alternatives, including expanding the pond system, implementing low-impact development strategies, and utilizing stormwater filtration systems.

After evaluating the available options, CPH selected a combination of inlet filtration devices and pond bank filtration systems. This approach allowed the existing pond footprint to remain unchanged, preserving valuable developable land area while also providing the most practical long-term maintenance solution. The pond bank filtration system incorporates "Bold & Gold" media, which is specifically designed to remove nutrients and other pollutants in accordance with the updated statewide stormwater treatment requirements.

While the incorporation of the Bold & Gold™ media results in an additional project cost, it will enhance the quality of stormwater discharged from the site, contributing to improved water quality in local waterways and providing long-term environmental benefits to the residents of the City of Zephyrhills.

Sincerely,  
Matthew D'Angelo, P.E. – CPH Consulting

## **BUSINESS ITEMS 4.2**

### Stormwater Assessment

First Reading Ordinance No. 1522-26 " **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, PASCO COUNTY, FLORIDA, CREATING A STORMWATER UTILITY AND A CITYWIDE STORMWATER NON-AD VALOREM ASSESSMENT BY CREATING CHAPTER 57 OF THE CODE OF ORDINANCES; RELATING TO THE PROVISION OF STORMWATER MANAGEMENT SERVICES; DETERMINING THAT CERTAIN REAL PROPERTY WILL BE SPECIALLY BENEFITED; ESTABLISHING THE METHOD OF IMPOSING AND COLLECTING THE ASSESSMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

### **Issue:**

The City of Zephyrhills owns, operates, and maintains an extensive stormwater management system consisting of drainage infrastructure, conveyance facilities, retention and detention systems, treatment facilities, easements, and associated improvements. These facilities are essential for flood protection, water quality enhancement, regulatory compliance, and the protection of public and private property.

Increasing regulatory requirements, aging infrastructure, recurring maintenance needs, and the need for future capital improvements have created the necessity for a dedicated and sustainable funding source for stormwater management activities. Currently, many stormwater-related expenditures are funded through general governmental revenues, creating competition with other municipal priorities and limiting the City's ability to adequately plan and fund long-term infrastructure improvements.

The proposed ordinance establishes a Stormwater Utility Fund and creates a dedicated user-based funding mechanism whereby developed properties that contribute stormwater runoff and benefit from the City's stormwater system share equitably in the costs of operating, maintaining, repairing, replacing, and improving that system.

On December 8, 2025, the City Council adopted Resolution No. 864-25 expressing the City's intent to utilize the uniform method of collection provided in Section 197.3632, Florida Statutes. The required public hearing was advertised in accordance with state law.

### **Background:**

Ordinance No. 1522-26 creates Chapter 57, "Stormwater Utility and Assessments," within the City's Code of Ordinances and establishes the framework for administration, assessment,

collection, and enforcement of stormwater fees.

**Key provisions include:**

- Creation of a Stormwater Utility administered by the City Manager or designee.
- Establishment of a dedicated Stormwater Utility Fund, ensuring revenues are used solely for stormwater-related purposes.
- Authorization to fund stormwater management services, regulatory compliance activities, maintenance, repair, replacement, capital improvements, and debt service associated with stormwater infrastructure.
- Establishment of a citywide stormwater assessment applicable to developed properties that receive a special benefit from the City's stormwater management system.
- Adoption of an Equivalent Residential Unit (ERU) methodology to equitably apportion costs among benefited properties based on impervious surface area.
- Definition of one ERU as 2,770 square feet of impervious area.
- Assessment of single-family residential properties at one ERU per parcel.
- Assessment of non-single-family residential properties based on measured impervious area divided by the ERU factor.
- Assessment methodology for multi-family residential and single-family attached developments that allocates total development impervious area among dwelling units.
- Provision for stormwater mitigation credits for qualifying privately maintained stormwater systems.
- Establishment of annual procedures for setting assessment rates and adopting the stormwater assessment roll through City Council action.
- Authorization to collect assessments using the uniform non-ad valorem assessment method on the annual property tax bill.
- Creation of administrative appeal procedures for property owners contesting ERU calculations, classifications, or mitigation credit determinations.
- Authorization for the issuance of debt obligations to finance future stormwater capital improvements.

**Attachment(s):**

1. Ordinance 1522-26 Stormwater Assessment

**Fiscal Impact:**

The ordinance itself does not establish a specific assessment rate. Assessment rates will be established annually by resolution of the City Council as part of the budget process.

**Staff Recommendation:**

Staff recommends approval of Ordinance No. 1522-26 establishing Chapter 57 of the City of Zephyrhills Code of Ordinances, creating a Stormwater Utility and authorizing the implementation of a citywide stormwater non-ad valorem assessment program on the first reading.



**ORDINANCE 1522-26**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, PASCO COUNTY, FLORIDA, CREATING A STORMWATER UTILITY AND A CITYWIDE STORMWATER NON-AD VALOREM ASSESSMENT BY CREATING CHAPTER 57 OF THE CODE OF ORDINANCES; RELATING TO THE PROVISION OF STORMWATER MANAGEMENT SERVICES; DETERMINING THAT CERTAIN REAL PROPERTY WILL BE SPECIALLY BENEFITED; ESTABLISHING THE METHOD OF IMPOSING AND COLLECTING THE ASSESSMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to the authority set forth in Chapter 166, Florida Statutes, including section 166.021, and Section 2(b) of Article VIII of the Constitution of the State of Florida, municipalities have the governmental, corporate, and proprietary power to conduct municipal government, perform municipal functions, and render municipal services and may exercise any power for municipal purposes, except as expressly prohibited by law;

**WHEREAS**, such statutory and constitutional authorization includes the ability to levy a special assessment for the operation and maintenance of the stormwater conveyance system within the corporate limits of the City of Zephyrhills; and

**WHEREAS**, Chapter 197, Florida Statutes, Section 197.3632, sets forth the required procedure to be followed by the City to use the uniform method of levying, collecting, and enforcing non-ad valorem assessments; and

**WHEREAS**, the City Council held a public hearing on the Stormwater Assessment Resolution 864-25 on December 8, 2025, after advertising in the Tampa Bay Times for four (4) consecutive weeks as required by Chapter 197, Florida Statutes, Section 197.3632 (3)(a); and

**WHEREAS**, Resolution 864-25 satisfies the requirements of Section 197.3632(3)(a), Florida Statutes, by stating the City's intent to collect stormwater assessments using the uniform method of collecting such assessments; and

**WHEREAS**, by this Ordinance, the City Council desires to establish a stormwater utility and stormwater assessments, which shall be the means of implementing and otherwise carrying out the functional requirements of the City's stormwater management system to construct or acquire stormwater improvements and provide stormwater management services.

**NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Zephyrhills, Florida, that:**

**SECTION 1: RECITALS.**

The Whereas clauses above are true and accurate and are incorporated by reference and made a part of this Ordinance.

**SECTION 2: STORMWATER UTILITY AND ASSESSMENTS ORDINANCE.**

Chapter 57: Stormwater Utility and Assessments of the Code of Ordinances of the City of Zephyrhills is hereby created:

**CHAPTER 57. STORMWATER UTILITY AND ASSESSMENTS**

## *DIVISION 1. INTRODUCTION*

### **Sec. 57-01. Intent and purpose.**

(a) This chapter establishes a stormwater utility and provides a uniform, equitable framework to finance stormwater management services and improvements for the protection of the public health, safety, and welfare, including flood risk reduction, protection of public and private property, and the preservation and enhancement of surface-water quality.

(b) Stormwater management services funded under this chapter include planning, permitting, regulatory compliance, operation, maintenance, repair, replacement, and expansion of the City's stormwater management system and related capital improvements necessary to meet adopted levels of service and regulatory requirements.

(c) The stormwater assessment shall be imposed only on Developed Property specially benefited by the availability and provision of stormwater management services and improvements, and shall be fairly and reasonably apportioned among benefited properties using an Equivalent Residential Unit (ERU) methodology, as further provided in this chapter.

(d) Revenues derived under this chapter shall be deposited in the stormwater utility fund and used solely for stormwater purposes authorized herein.

(e) This chapter is adopted pursuant to the City's constitutional and statutory home-rule powers and other applicable law, is supplemental to other City powers and remedies, and shall be liberally construed to effect its purposes. The stormwater assessment is a non-ad valorem special assessment and not a tax.

### **Sec. 57-02. Definitions.**

When used in this article, the following terms shall have the following meanings, unless the context clearly requires otherwise:

*Annual stormwater assessment resolution* means the resolution described in section 57-14 hereof, approving a stormwater assessment roll for a specific fiscal year.

*Assessed property* means all parcels of real property included on the stormwater assessment roll that receive a special benefit from the stormwater improvements and stormwater management services identified in an annual stormwater assessment resolution.

*Capital cost* means all or any portion of the expenses that are properly attributable to the acquisition, construction, design, installation, reconstruction, renewal or replacement (including demolition, environmental mitigation and relocation) of stormwater improvements under generally accepted accounting principles and including reimbursement to the City for any moneys advanced for capital cost and interest on any interfund or intrafund loan for such purposes.

*Capital Improvement Plan* is a strategic plan that outlines the necessary investments in stormwater infrastructure improvements and stormwater management systems to ensure effective control and treatment of stormwater runoff.

*County* means Pasco County, Florida.

*Developed property* means property that has been developed with impervious area including, but not limited to, rooftops, sidewalks, walkways, patio areas, driveways, parking lots, storage areas and other surfaces which similarly impact the natural infiltration or runoff patterns, which existed prior to development.

*Equivalent residential unit (ERU)* means a unit of measure of impervious surface in square feet, which represents the impervious surface area on a typical single-family residential parcel within the service area as a unit of comparison. For the purposes of this definition, one ERU shall equal 2,770 square feet.

*Fiscal year* means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the City.

*Government property* means property owned by the United States of America, the State of Florida, a sovereign state or nation, a county, a special district, a municipal corporation, or any of their respective agencies or political subdivisions.

*Impervious area* means the extent or measurement of impervious surface on a property.

*Impervious surface* means hard or artificial surface areas which either prevent, alter, reduce, or severely restrict the entry of water into the soil mantle and/or cause water to run off the surface in greater quantities or at an increased rate of flow from that present under natural conditions prior to development. Common impervious surfaces include, but are not limited to, rooftops, sidewalks, walkways, patio areas, driveways, parking lots, storage areas, and other artificial or non-natural surfaces which similarly affect the natural infiltration or runoff patterns which existed prior to development.

*Maximum assessment rate* means the maximum rate of assessment established by the annual stormwater assessment resolution.

*Mitigation credit* means a credit applied to a stormwater assessment for a developed property in consideration of the management of the on-site stormwater system operation and maintenance budget as a consequence of the location of a mitigation facility or in consideration of discharge to a City or non-City stormwater system for the conveyance and/or treatment of stormwater or as otherwise required by law.

*Multi-family residential (MFR)* means all residential developments not classified as single-family attached or single-family residential. This includes all property that contains residential uses such as condominiums, cooperatives and mobile homes where there are multiple residential dwelling units on one parcel.

*Non-single family residential (NSFR)* means all property that is classified or used for non-residential purposes, including but not limited to commercial, industrial, retail, governmental, and includes all developed real property not classified as single-family attached, single-family residential, or multi-family residential.

*Obligations* mean a series of bonds or other evidence of indebtedness, including, but not limited to notes, commercial paper, capital leases or any other obligations of the City issued or incurred to finance any portion of the capital cost of a stormwater improvement and secured, in whole or in part, by proceeds of the stormwater improvement assessments.

*Ordinance* means this stormwater ordinance, as amended from time to time.

*Pervious surface* means any material that permits full or partial absorption of stormwater into the earth. Pervious surfaces include, but are not limited to, lawns, gardens, uncompacted soils, and approved permeable pavements meeting City specifications. Asphalt and concrete are impervious. Compacted gravel or shell may be treated as impervious where determined by the City's adopted methodology.

*Pledged revenue* means, as to any series of obligations, (a) the proceeds of such obligations, including investment earnings, (b) proceeds of the stormwater improvement assessments pledged to secure the payment of such obligations, and (c) any other legally available non-ad valorem revenue pledged to secure the payment of such obligations, as specified by the resolution authorizing such obligations.

*Private stormwater management system* means a manmade facility or structure on the site of a developed property which, by its design and function, retains stormwater on-site and treats and attenuates stormwater from the site.

*Project cost* means, (a) the capital cost of a stormwater improvement, (b) the transaction cost associated with the obligations to finance the stormwater improvement, (c) interest accruing on such obligations for such period of time as the City deems appropriate, (d) the debt service reserve fund or account, if any, established for the obligations which financed the stormwater improvement, and (e) any other costs or expenses related thereto.

*Property appraiser* means the Pasco County Property Appraiser.

*Single-family attached (SFA)* means townhomes and other attached single-family residential dwellings that share one or more common walls and common areas.

*Single-family residential (SFR)* means a single family detached residence on one parcel, and may include single mobile home residences on one parcel.

*Statutory stormwater assessment resolution* means the resolution required by Section 197.3632(3)(a), Fla. Stats., stating the City's intent to collect stormwater assessments using the uniform method of collecting such assessments.

*Stormwater* means the flow of water which results from, and which occurs following, a rainfall event.

*Stormwater assessment* means either a stormwater improvement assessment, a stormwater service assessment, or both.

*Stormwater assessment roll* means the special assessment roll created that includes all parcels within the City and their assigned stormwater assessment relating to stormwater improvements or stormwater management services approved by an annual stormwater assessment resolution pursuant to section 57-10 hereof.

*Stormwater basin* means a part of the earth's surface that contributes stormwater runoff to a drainage system, which consists of diffuse surface waters, together with all natural or artificial tributary surface streams and/or bodies of impounded surface water.

*Stormwater improvement* means land, capital facilities, equipment, and improvements acquired or provided to detain, retain, convey, or treat stormwater.

*Stormwater improvement area* means one or more stormwater basins, or any portion or portions thereof, encompassing those parcels of property specially benefited by the purchase, construction, reconstruction or installation of all or any portion of a stormwater improvement that removes, detains, retains or treats, in whole or in part, the stormwater burden expected to be generated by the physical characteristics and use of the assessed property. Each stormwater improvement area will include either, (a) the property, which is hydrologically connected, directly or indirectly, to the stormwater improvement, or (b) all property located within a hydrologically defined area in which the City constructs one or more stormwater improvements to correct existing deficiencies with respect to a specific level of service and provide a consistent level of stormwater management.

*Stormwater management service* means, (a) stormwater program engineering, (b) stormwater improvements to be acquired or constructed during a single fiscal year without the issuance of any obligations, (c) billing and collection of stormwater assessments, including customer information and educational services and reserves for statutory discounts, (d) maintaining the City's capital facilities for stormwater management, including extraordinary maintenance, and (e) legal, engineering, and other consultant services.

*Stormwater service area* means the geographic area that encompasses all parcels within the City, which specially benefits from the stormwater management service and all parcels to which stormwater management services are provided.

*Stormwater service cost* means the estimated amount for any fiscal year of all expenditures and reasonable reserves that are properly attributable to the stormwater management service provided within the stormwater service area under generally accepted accounting principles, including, without limiting the generality of the foregoing, reimbursement to the City for any moneys advanced for the stormwater management service, and interest on any interfund or intrafund loan for such purpose.

*Stormwater utility* means the entity established by section 57-06 hereof to implement the stormwater management program of the City.

*Tax collector* means the Pasco County Tax Collector.

*Tax roll* means the real property ad valorem tax assessment roll maintained by the Property Appraiser for the purpose of the levy and collection of ad valorem taxes.

*City* means City of Zephyrhills, Florida.

*City Clerk* means the City Clerk of the City of Zephyrhills, Florida, or such other person as may be duly authorized to act on such person's behalf.

*City Manager* means the chief administrative officer of the City or such person's designee.

*Transaction cost* means the costs, fees and expenses incurred by the City in connection with the issuance and sale of any series of obligations, including, but not limited to, (a) rating agency and other financing fees, (b) the fees and disbursements of bond counsel, (c) the underwriters' discount, (d) the fees and disbursements of the City's financial advisor, (e) the costs of preparing or printing the obligations and the documentation supporting issuance of the obligations, (f) the fees payable in respect of any municipal bond insurance policy, and (g) any other costs of a similar nature incurred in connection with issuance of such obligations.

*Uniform Assessment Collection Act* means F.S. §§ 197.3632 and 197.3635, or any successor statutes authorizing the collection of non-ad valorem assessments on the same bill as ad valorem taxes, and any applicable regulations promulgated thereunder.

### **Sec. 57-03. Interpretation.**

Unless the context indicates otherwise, words importing the singular number include the plural number and vice versa; the terms "hereof," "hereby," "herein," "hereto," "hereunder" and similar terms refer to this article; and the term "hereafter" means after, and the term "heretofore" means before, the effective date of this article. Words of any gender include the correlative words of the other genders unless the context indicates otherwise.

### **Sec. 57-04. Technical standards; cross-references.**

The stormwater utility shall be operated in conformity with Chapter 54 (Stormwater Quality Management) of this Code, the Land Development Code, the City's NPDES MS4 permit, and applicable rules of FDEP and the Southwest Florida Water Management District.

### **Sec. 57-05. General findings.**

It is hereby ascertained, determined, and declared that:

(a) Pursuant to Article VIII, section 2(b), Florida Constitution, and F.S. § 166.021, municipalities shall have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and

may exercise any power for municipal purposes, except when expressly prohibited by law. These municipal powers include the adoption of ordinances.

(b) The purpose of this article is to:

- (1) Provide procedures and standards for the imposition of stormwater assessments under the constitutional and statutory power of the City;
- (2) Authorize a procedure for the funding of stormwater management services, facilities, or programs providing special benefit to assessed property within the stormwater service area;
- (3) Authorize a procedure for the funding of stormwater improvements providing special benefit to assessed property within the stormwater service area; and
- (4) Legislatively determine the special benefit provided to assessed property from the stormwater utility.

(c) The Florida Legislature has mandated that local governments in the State of Florida, including the City, have the responsibility for developing mutually compatible stormwater management programs consistent with the rules and regulations of the Florida Department of Environmental Protection, the Federal Clean Water Act, the water management districts, and the stormwater management programs established and maintained by other local governments.

(d) The stormwater assessments imposed hereby are consistent with the authority granted in F.S. § 403.0893. This statutory provision is additional and supplemental authority to the constitutional and statutory powers granted to a municipality.

(e) The City maintains a system of stormwater and surface water management facilities, including, but not limited to inlets, conduits, manholes, channels, ditches, drainage easements, retention and detention basins, infiltration facilities, treatment ponds, pump stations and other components as well as natural waterways.

(f) Those elements of the City stormwater and surface water management system that provide for the collection, storage, treatment, and conveyance of stormwater are of benefit and provide services to all developed property within the City.

(g) The cost of maintaining the stormwater management system and providing stormwater management services in accordance with existing permits and the financing of existing and future repairs, replacements, improvements, and extension thereof should, to the extent practicable, be allocated in relationship to the benefits enjoyed, services received, or burden caused therefrom.

(h) The public health, safety, and welfare are adversely affected by poor water quality and flooding resulting from inadequate stormwater management practices. All developed property either uses the stormwater management system or benefits from the provision and operation of the stormwater management services.

*DIVISION 2. STORMWATER UTILITY*

**Sec. 57-06. Stormwater utility.**

There is hereby established a stormwater utility, which shall be the means of implementing and otherwise carrying out the functional requirements of the City's stormwater management system to construct or acquire stormwater improvements and provide stormwater management services. The stormwater utility shall provide for the preparation of stormwater studies and the implementation of the stormwater utility and the repair, replacement, improvement, and enhancement, of the City's capital facilities for stormwater management. The stormwater utility shall place emphasis on the achievement of maximum efficiency through identifying programs and funding sources which are complementary to other regional, state, and federal programs. The City Manager or their designee shall be responsible for administration of the stormwater utility.

**Sec. 57-07. Stormwater utility fund.**

The City Council intends to fund the cost of providing stormwater management services and capital facilities for stormwater management through stormwater assessments. The City Council has further concluded that periodic determination of revenues earned, and expenses incurred in connection with the provision of capital facilities and equipment for stormwater management will enhance accountability and management control of the City's stormwater utility and will facilitate implementation of the City Council's funding policy for stormwater management. Accordingly, there shall be established a stormwater utility fund. From an accounting perspective, the stormwater utility fund shall be established as an enterprise fund. Proceeds of the stormwater service assessment shall be used for payment of the stormwater service cost; capital cost of stormwater improvements including any required surface restoration or improvements; debt service on obligations issued to finance stormwater improvements; and restoration or repairs to any City-owned property or infrastructure (including but not limited to roads, sidewalks, swales, structures, or hardscape) that is damaged due to improvement, repair or failure of stormwater infrastructure.

*DIVISION 3. STORMWATER ASSESSMENTS*

**Sec. 57-08. Legislative declarations of special benefit.**

It is hereby ascertained and declared that the stormwater utility, the stormwater management services, and the stormwater improvements provide a special benefit to the assessed property based upon the following legislative determinations:

- (a) The stormwater utility possesses a logical relationship to the use and enjoyment of all developed property by treating and controlling contaminated stormwater generated by improvements constructed on developed property, which resulted in the alteration of such property from its natural state to accommodate such improvements.
- (b) The special benefit received by assessed property is the control, management and treatment of the stormwater burden generated by the improvements on developed property in the City.

(c) Substantially all the stormwater burden managed, controlled, and treated by the stormwater utility is generated by developed property and the amount of stormwater generated by property in its natural state that is managed, controlled, and treated by the stormwater utility is inconsequential.

(d) The City is planning to adopt a capital improvement plan, which sets forth drainage goals and objectives that make it necessary and essential to construct improvements and enhancements to the existing stormwater system so the collection, storage, treatment, and conveyance of stormwater within the City adequately protects the health, safety, and welfare of the citizens of the City. The creation and maintenance of the stormwater utility is designed to meet the drainage goals and objectives of the City and other municipal, federal, and state policies mandating stormwater management programs by local governments.

(e) The special benefits provided by the stormwater management services and stormwater improvements to all developed property include, but are not limited to:

(1) the provision of stormwater management services and the availability of stormwater improvements to properly and safely detain, retain, convey, and treat stormwater runoff generated by or discharged from developed property, whether or not the individual parcel is directly connected to or makes direct use of the City's stormwater conveyance infrastructure;

(2) the treatment and management of polluted stormwater runoff contributed by developed property, including the reduction of pollutant loads for total nitrogen, total phosphorus, total suspended solids, and other contaminants that would otherwise degrade receiving water bodies;

(3) the City's compliance with federal and state regulatory mandates, including the National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit which protect and preserve the water quality of receiving water bodies for the benefit of all property within the City;

(4) increased safety and improved access to developed property through the management of stormwater on public rights-of-way, roadways, and other public infrastructure;

(5) alleviation of the burdens caused by stormwater runoff and accumulation attendant with the use of developed property, including flood control;

**Sec. 57-09. Stormwater assessments and rates.**

(a) The City Council is hereby authorized to impose stormwater assessments for service and improvement costs against each developed parcel located within the stormwater service area for services and facilities provided by the stormwater system. These costs will be assessed against developed property located within the stormwater service area at a rate of assessment based upon the special benefit accruing to such property from the stormwater management service provided by the City, measured by the number of ERUs attributable to each parcel.

(b) Notwithstanding the foregoing, if the City Council specifically determines that any portion of the stormwater service area receives a distinct special benefit from any component of the stormwater management service that is materially different in kind or degree from the special benefit received by other portions of the stormwater service area, the stormwater service cost related to such component shall be assessed against the portion of the stormwater service area receiving the distinct special benefit.

(c) Stormwater assessments will be based on total Impervious Area (IA) within a parcel as represented by ERUs. The following rate structure for the stormwater assessment is hereby established:

(d) Basis of apportionment and ERU. One ERU equals 2,770 square feet of impervious area, as established by City Council based on the City's rate and apportionment study adopted by resolution. The City Council may update the ERU value or apportionment methodology by resolution following a public hearing.

(1) Each SFR parcel shall be billed the annual rate for 1 ERU

(2) Total ERUs for all Non-Single Family Residential (NSFR) parcels will be calculated by dividing measured IA by the ERU value then rounding up to the nearest whole number. The NSFR parcel shall then be billed for the total ERU multiplied by the annual rate.

(3) For properties that have common area space, such as Single Family Attached (SFA) and Multi-Family Residential (MFR) parcels, total ERUs are calculated by first summing the measured IA for both common area parcels and dwelling unit parcels in the development and then dividing that by the ERU value and rounding it up the nearest whole number. The total ERUs are then equally allocated to each dwelling unit in the development by dividing total ERUs by the number of dwelling units. The MFR and SFA dwelling unit parcels shall then be billed by the allocated ERUs multiplied by the annual rate.

(d) Stormwater assessments shall apply to all developed properties within the City that are benefited by the system including those properties owned or occupied by a nonexempt governmental or nonprofit entity that are otherwise tax-exempt for ad valorem tax purposes.

(e) Public rights-of-way and bodies of water are exempt from the application of stormwater assessments.

(f) Properties with less than 400 sq ft of impervious area will not be levied a stormwater assessment.

(g) Mitigation credits and exemptions. Developed properties with on-site, privately operated and maintained stormwater management systems with a valid Southwest Florida Water Management District Environmental Resource Permit meeting current design criteria may apply for stormwater mitigation credits. Credits reduce the parcel's calculated ERUs in accordance with

a City credit policy adopted by resolution of the City Council. The City Manager administers the program; amendments to the credit policy shall be adopted by City Council resolution. The current policy is on file with the City Clerk.

**Sec. 57-10. Stormwater assessment roll.**

(a) The City Manager shall prepare, or direct the preparation of, a preliminary stormwater assessment roll that contains the following information:

- (1) A summary description of each parcel of property (conforming to the description contained on the tax roll) subject to the stormwater assessment;
- (2) The name of the owner of record of each parcel as shown on the tax roll;
- (3) The number of ERUs attributable to each parcel; and
- (4) The estimated maximum stormwater assessment to become due in any fiscal year for each ERU and each tax parcel.

(b) Copies of the statutory stormwater assessment resolution and the preliminary stormwater assessment roll shall be on file in the office of the City Clerk and open to public inspection. The foregoing shall not be construed to require that the stormwater assessment roll be in printed form if the amount of the stormwater assessment for each parcel of property can be determined by use of a computer terminal available for use by the public.

**Sec. 57-11. Notice by publication.**

After filing the stormwater assessment roll in the office of the City Clerk, as required by section 57-10 hereof, the City Clerk shall publish once in a newspaper of general circulation within the City a notice stating that a public hearing of the City Council will be held on a certain day and hour, not earlier than twenty (20) calendar days from such publication, at which hearing the City Council will receive written comments and hear testimony from all interested persons regarding adoption of the statutory stormwater assessment resolution and approval of the stormwater assessment roll. The published notice shall conform to the requirements set forth in the Uniform Assessment Collection Act for purposes of the stormwater assessments.

**Sec. 57-12. Notice by mail.**

In addition to the published notice required by section 57-11, the City Manager shall provide notice of the proposed stormwater assessments by First Class U.S. Mail to the owner of each parcel of property subject to the stormwater assessments, which notice shall conform to the requirements set forth in the Uniform Assessment Collection Act. Notice shall be mailed at least twenty (20) calendar days prior to the hearing to each property owner at such address, as is shown on the tax roll on the twentieth (20th) calendar day prior to the date of mailing. Notice shall be deemed mailed upon delivery thereof to the possession of the U.S. Postal Service. The City Manager shall provide proof of such notice by affidavit. Failure of the owner to receive such notice due to mistake or inadvertence shall not affect the validity of the stormwater assessment roll, nor release or discharge

any obligation for the payment of a stormwater assessment imposed by the City Council pursuant to this article.

**Sec. 57-13. Statutory stormwater assessment resolution.**

The adoption of the statutory stormwater assessment resolution by the City Council shall constitute a legislative determination that all parcels assessed derive a special benefit from the services, facilities or programs to be provided or constructed and a legislative determination that the stormwater assessments are equitably and reasonably apportioned among the properties that receive the special benefit. All objections to adoption of the stormwater assessment resolution shall be made in writing and filed with the City Clerk at or before the time or adjourned time of such hearing. The statutory stormwater assessment resolution shall constitute the City's intent to collect stormwater assessments using the uniform method of collection pursuant to Section 197.3632, Florida Statutes and was adopted prior to the effective date of this article.

**Sec. 57-14. Annual stormwater assessment resolution.**

(a) Annually, during its budget adoption process, the City Council shall determine whether to re-impose a stormwater assessment for each fiscal year following the initial fiscal year. If the City Council elects to re-impose a stormwater assessment, the procedures in this section 57-14 shall be followed.

(b) The City Council shall adopt an annual stormwater assessment resolution for each fiscal year.

(c) The annual stormwater assessment resolution shall:

(1) Establish the rate of assessment to be imposed in the upcoming fiscal year; and

(2) Approve the stormwater assessment roll for the upcoming fiscal year with such adjustments as the City Council deems just and right. The stormwater assessment roll shall be prepared in accordance with the method of apportionment set forward in the annual stormwater assessment resolution.

(d) If the proposed stormwater assessment for any parcel of developed property exceeds the maximum assessment rate established in the annual stormwater assessment resolution, or if a stormwater assessment is imposed against property not previously subject thereto, the City Council shall provide notice to the owner of such property by mail in accordance with section 57-12 hereof and conduct a public hearing prior to adoption of the assessment rate.

**Sec. 57-15. Effect of stormwater resolution.**

The adoption of the annual stormwater assessment resolution shall be the final adjudication of the issues presented (including, but not limited to, the apportionment methodology, the rate of assessment, the adoption of the stormwater assessment roll and the levy and lien of the stormwater assessments), unless proper steps are initiated in a court of competent jurisdiction to secure relief within twenty (20) days from the date of City Council adoption of the annual stormwater assessment resolution. The stormwater assessments for each fiscal year shall be established upon adoption of the annual stormwater assessment resolution. The stormwater assessment roll, as

approved by the annual stormwater assessment resolution, shall be delivered to the Tax Collector, or such other official as the City Council, by resolution, deems appropriate.

**Sec. 57-16. Lien of stormwater assessments.**

(a) Upon adoption of the annual stormwater assessment resolution for each fiscal year, stormwater assessments to be collected under the Uniform Assessment Collection Act shall constitute a lien against assessed property equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments. Except as otherwise provided by law, such lien shall be superior in dignity to all other prior liens, titles, and claims, until paid. The lien shall be deemed perfected upon adoption by the City Council of the annual stormwater rate resolution and shall attach to the property included on the stormwater assessment roll as of the prior January 1, the lien date for ad valorem taxes.

(b) Upon adoption of the statutory stormwater assessment resolution, stormwater assessments to be collected under the alternative method of collection provided in section 57-22 hereof, shall constitute a lien against assessed property equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments. Except as otherwise provided by law, such lien shall be superior in dignity to all other prior liens, titles, and claims, until paid. The lien shall be deemed perfected on the date notice thereof is recorded in the official records of Pasco County, Florida.

**Sec. 57-17. Authorization for exemptions.**

(a) The City Council, in its sole discretion, shall determine whether to provide exemptions from payment of a stormwater assessment for government property, whose use is wholly or partially exempt from ad valorem taxation under Florida law.

(b) The City Council shall designate the funds available to provide any exemptions. The provision of an exemption in any one (1) year shall in no way establish a right or entitlement to such exemption in any subsequent year, and the provision of funds in any year may be limited to the extent funds are available and appropriated by the City Council. Any funds designated for exemptions shall be paid by the City from funds other than those generated by the stormwater assessment.

(c) Any shortfall in the expected stormwater assessment proceeds, due to any exemption from payment of the stormwater assessments required by law or authorized by the City Council, shall be supplemented by any legally available funds, or combination of such funds, and shall not be paid for by proceeds or funds derived from the assessments. In the event a court of competent jurisdiction determines any exemption by the City Council is improper or otherwise adversely affects the validity of the stormwater assessment imposed for any fiscal year, the sole and exclusive remedy shall be the imposition of an assessment upon each affected tax parcel in the amount of the stormwater assessment that would have been otherwise imposed, save for such exemption afforded the tax parcel by the City Council.

*DIVISION 4. COLLECTION OF STORMWATER ASSESSMENTS*

**Sec. 57-18. Method of collection of stormwater assessments.**

Unless directed otherwise by the City Council, stormwater assessments shall be collected pursuant to the Uniform Assessment Collection Act, and the City shall comply with all applicable provisions thereof. Any hearing or notice required by this article may be combined with any other hearing or notice required by the Uniform Assessment Collection Act.

**Sec. 57-19. Properties subject to the special assessment.**

(a) Geographic applicability. The stormwater assessment is levied upon all Developed Property located within the corporate limits of the City of Zephyrhills, Florida, as such corporate limits exist from time to time pursuant to section 2.01, Article II of the City Charter and chapter 171, Florida Statutes.

(b) Official boundary/map. The City's corporate limits are depicted on the official municipal boundary map maintained by the City Clerk. The map, and any amendment thereto, is incorporated by reference for purposes of this section.

(c) Annexations and contractions.

(1) Newly annexed property. Developed Property annexed into the City shall be included on the stormwater assessment roll beginning with the first fiscal year for which the assessment roll can be timely prepared and certified in accordance with section 57-20 and the Uniform Assessment Collection Act (section 197.3632, Florida Statutes). If annexation occurs after the City's certification deadline for a fiscal year, such property shall be included on the next ensuing assessment roll; the City may use the alternative collection method authorized in section 57-22 for the interim period.

(2) Contractions. Property removed from the corporate limits shall not be subject to the stormwater assessment for periods after the effective date of the contraction; assessments previously levied and certified remain due and collectible.

(d) Parcels intersecting the City boundary. If a tax parcel lies partially within and partially outside the City's corporate limits, only the portion within the City is subject to the assessment. The City Manager may prorate ERUs for such a parcel based on a sealed survey, recorded legal description, GIS area calculation, or other competent evidence.

(e) Exemptions and credits. Any exemptions, credits, or adjustments to the stormwater assessment shall be applied as provided in sections 57-17 and 57-09(g).

**Sec. 57-20. Annual certification.**

By September 15th of each year, the office of the City Manager shall certify to the Pasco County Tax Collector a list of all properties within the City subject to the special assessment at any time subsequent to the last annual certification and prior to the date of the then current certification.

**Sec. 57-21. Interlocal agreement.**

The City Council is authorized to enter into an interlocal agreement with Pasco County in connection herewith.

**Sec. 57-22. Alternative method of collection of stormwater assessments.**

In lieu of using the Uniform Assessment Collection Act, the City may elect to collect the stormwater assessment by any other method which is authorized by law or under an alternative collection method provided by this section 57-22.

(a) The City shall provide stormwater assessment bills by First Class U.S. Mail to the owner of each affected parcel of property, other than government property. The bill or accompanying explanatory material shall include:

- (1) A brief explanation of the stormwater assessment;
- (2) A description of the ERU calculation used to determine the amount of the assessment;
- (3) The number of ERUs attributed to the parcel;
- (4) The total amount of the parcel's stormwater assessment for the appropriate period;
- (5) The location at which payment will be accepted;
- (6) The date on which the stormwater assessment is due; and
- (7) A statement that the stormwater assessment constitutes a lien against assessed property equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments.

(b) A general notice of the lien resulting from imposition of the stormwater assessments shall be recorded in the official records of Pasco County, Florida. Nothing herein shall be construed to require that individual liens or releases be filed in the official records.

(c) The City shall have the right to appoint or retain an agent to foreclose and collect all delinquent stormwater assessments in the manner provided by law. A stormwater assessment shall become delinquent if it is not paid within thirty (30) days from the date any installment is due. The City or its agent shall notify any property owner who is delinquent in payment of his or her stormwater assessment within sixty (60) days from the date the stormwater assessment was due. Such notice shall state in effect that the City or its agent will initiate a foreclosure action and cause the foreclosure of such property subject to a delinquent stormwater assessment in a method now or hereafter provided by law for foreclosure of mortgages on real estate, or otherwise as provided by law.

(d) All costs, fees, and expenses, including reasonable attorney's fees and title search expenses, related to any foreclosure action as described herein, shall be included in any judgment or decree rendered therein. At the sale pursuant to decree in any such action, the City may be the purchaser to the same extent as an individual person or corporation. The City may join in one foreclosure action the collection of stormwater assessments against any or all property assessed in accordance with the provisions hereof. All delinquent property owners whose property is foreclosed shall be liable for an apportioned amount of reasonable costs and expenses incurred by the City and its agents, including reasonable attorney's fees in collection of such delinquent stormwater assessments and any other costs incurred by the City as a result of such delinquent stormwater assessments including, but not limited to, costs paid for draws on a credit facility, and the same shall be collectible as a part of or in addition to, the costs of the action.

(e) In lieu of foreclosure, any delinquent stormwater assessment and the costs, fees, and expenses attributable thereto, may be collected pursuant to the Uniform Assessment Collection Act; provided, however, that:

- (1) Notice is provided to the owner in the manner required by law and this article; and
- (2) Any existing lien of record on the affected parcel for the delinquent stormwater assessment is supplanted by the lien resulting from certification of the stormwater assessment roll to the Tax Collector.

**Sec. 57-23. Collection of stormwater assessments from government property.**

(a) Unless directed otherwise by the City Council, the City may provide stormwater assessment bills by First Class U.S. Mail to the owner of each affected parcel of government property. The bill or accompanying explanatory material shall include:

- (1) A brief explanation of the stormwater assessment;
- (2) A description of the ERUs or other unit used to determine the amount of the stormwater assessment;
- (3) The number of ERUs (or other units used to calculate the amount of the stormwater assessment) attributed to the parcel;
- (4) The total amount of the parcel's stormwater assessment for the appropriate period;
- (5) The location at which payment will be accepted; and
- (6) The date on which the stormwater assessment is due.

(b) A stormwater assessment shall become delinquent if it is not paid within thirty (30) days from the date any installment is due. The City shall notify the owner of any government property that is delinquent in payment of its stormwater assessment within sixty (60) days from the date the stormwater assessment was due. Such notice shall state in effect that the City will initiate a mandamus or other appropriate judicial action to compel payment.

(c) All costs, fees, and expenses, including reasonable attorney's fees and title search expenses, related to any mandamus or other action as described herein shall be included in any judgment or decree rendered therein. All delinquent owners of government property against which a mandamus or other appropriate action is filed shall be liable for an apportioned amount of reasonable costs and expenses incurred by the City, including reasonable attorney's fees in collection of such delinquent stormwater assessments and any other costs incurred by the City as a result of such delinquent stormwater assessments including, but not limited to, costs paid for draws on a credit facility, and the same shall be collectible as a part of or in addition to, the costs of the action.

**Sec. 57-24. Responsibility for enforcement.**

The City and its agent, if any, shall maintain the duty to enforce the prompt collection of stormwater assessments by the means provided herein. The duties related to collection of stormwater assessments may be enforced at the suit of any holder of obligations in a court of competent jurisdiction by mandamus or other appropriate proceedings or actions.

*DIVISION 5. GENERAL PROVISIONS*

**Sec. 57-25. Issuance of obligations.**

- (a) Upon adoption of the annual stormwater assessment resolution imposing stormwater improvement assessments, or at any time thereafter, the City Council shall have the power and is hereby authorized to provide by ordinance or resolution, at one time or from time-to-time in series, for the issuance of obligations of the City to fund the project cost thereof, and any amounts to be paid or accrued in connection with issuance of such obligations, including, but not limited to capitalized interest, transaction costs and reserve account deposits.
- (b) (b)The principal of and interest on each series of obligations shall be payable from pledged revenue. At the option of the City Council, the City may agree, by ordinance or resolution, to budget and appropriate funds to make up any deficiency in the reserve account established for the obligations or in the payment of the obligations, from other non-ad valorem revenue sources. The City Council may also provide, by ordinance or resolution, for a pledge of or lien upon proceeds of such non-ad valorem revenue sources for the benefit of the holders of the obligations. Any such ordinance or resolution shall determine the nature and extent of any pledge of or lien upon proceeds of such non-ad valorem revenue sources.

**Sec. 57-26. Revisions to stormwater assessments.**

If any stormwater assessment made under the provisions of this article is either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the City Council is satisfied that any such stormwater assessment is so irregular or defective that the same cannot be enforced or collected, or if the City Council has failed to include any property on the stormwater assessment roll that should have been so included, the City Council may take all necessary steps to impose a new stormwater assessment against any such property, following as nearly as may be practicable, the provisions of this article and in case such second stormwater assessment is annulled, the City Council may obtain and impose other stormwater assessments until a valid stormwater assessment is imposed.

**Sec. 57-27. Procedural irregularities.**

Any irregularity in the proceedings in connection with the levy of any stormwater assessment under the provisions of this article shall not affect the validity of the same after the approval thereof, and any stormwater assessment as finally approved shall be competent and sufficient evidence that such stormwater assessment was duly levied, that the stormwater assessment was duly made and adopted, and that all other proceedings adequate to such stormwater assessment were duly had, taken and performed as required by this article, and no variance from the directions hereunder shall be held material unless it be clearly shown that the party objecting was materially injured thereby. Notwithstanding the provisions of this section 57-27, any party objecting to a stormwater assessment imposed pursuant to this article must file an objection with a court of competent jurisdiction within the time period prescribed in section 57-15 of this article.

**Sec. 57-28. Correction of errors and omissions.**

- (a) No act of error or omission on the part of the City Council, City Manager, Property Appraiser, Tax Collector, City Clerk, or their respective deputies, employees or designees, shall

operate to release or discharge any obligation for payment of any stormwater assessment imposed by the City Council under the provisions of this article.

(b) The number of ERUs attributed to a parcel of property may be corrected at any time by the Public Works Director or City Manager. Any such correction which reduces a stormwater assessment shall be considered valid from the date on which the stormwater assessment was imposed as allowable by the Tax Collector and shall in no way affect the enforcement of the stormwater assessment imposed under the provisions of this article. Any such correction which increases a stormwater assessment or imposes a stormwater assessment on omitted property shall first require notice to the affected owner by mail in the manner described in section 57-12 hereof, providing the date, time and place that the City Council will consider confirming the correction and offering the owner an opportunity to be heard.

**Sec. 57-29. Administrative appeals and adjustments.**

A property owner may appeal the ERU calculation, credit determination, or parcel classification within thirty (30) days of the mailing of the initial or revised notice. Appeals shall first be submitted to the Public Works Director; decisions may be further appealed to the City Manager, whose written determination may be appealed to the City Council at a noticed public meeting. Appeals must include competent evidence (e.g., sealed survey, as-built plans, or permit documents). Approved adjustments take effect prospectively unless otherwise required by law.

(c) After the stormwater assessment roll has been delivered to the Tax Collector, any changes, modifications, or corrections thereto shall be made in accordance with the procedures applicable to errors and insolvencies for ad valorem taxes under state law.

**Sec. 57-30. Applicability.**

This article and the City's authority to impose stormwater assessments pursuant hereto shall be applicable throughout the City.

**Sec. 57-31. Alternative method.**

This article shall be deemed to provide an additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing or which may hereafter come into existence. This article, being necessary for the welfare of the inhabitants of the City, shall be liberally construed to affect the purposes hereof.

**SECTION 3. REPEALER.**

Any and all ordinances in conflict herewith are hereby repealed to the extent of any conflict.

**SECTION 4. SEVERABILITY.**

It is declared to be the intent of the City Council of the City of Zephyrhills, Florida, that if any section, subsection, sentence, clause, or provision of this ordinance is held invalid, the

remainder of the ordinance shall be construed as not having continued the said section, subsection, sentence, clause, or provision and shall not be affected by such holding.

**SECTION 5. INCLUSION INTO THE CODE.**

It is the intent of the City Council that the provisions of this Ordinance shall become and be made a part of the City of Zephyrhills code, and that the sections of this Ordinance may be renumbered or re-lettered and the word “ordinance” may be changed to “section,” “article,” “regulation,” or such other appropriate word or phrase in order to accomplish such intentions.

**SECTION 6. EFFECTIVE DATE.**

This Ordinance shall become effective upon passage on the second reading and signing by the Mayor.

The foregoing Ordinance No. 1522-26 was read and passed on the first reading in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 8<sup>th</sup> day of June, 2026.

Attest: \_\_\_\_\_  
Ricardo Quiñones, City Clerk

\_\_\_\_\_  
Steven F. Spina  
Council President

The foregoing Ordinance No. 1522-26 was read and passed on the second reading following a public hearing in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 22<sup>nd</sup> day of June, 2026.

Attest: \_\_\_\_\_  
Ricardo Quiñones, City Clerk

\_\_\_\_\_  
Steven F. Spina  
Council President

The foregoing Ordinance No. 1522-26 was approved by me this 22<sup>nd</sup> day of June, 2026.

\_\_\_\_\_  
Melonie Bahr Monson, Mayor

Approved as to legal form and content

\_\_\_\_\_  
Matthew E. Maggard, City Attorney

## **BUSINESS ITEMS 4.3**

### Data Center Moratorium

First Reading Ordinance No. 1523-26 " **AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA ESTABLISHING A TEMPORARY MORATORIUM ON THE ACCEPTANCE, PROCESSING, REVIEW, APPROVAL, OR ISSUANCE OF BUILDING PERMITS, REZONINGS, SITE PLANS, CONDITIONAL USE APPROVALS, VARIANCES, COMPREHENSIVE PLAN AMENDMENTS, OR OTHER CITY APPROVALS FOR THE CONSTRUCTION, ESTABLISHMENT, EXPANSION, OR INTENSIFICATION OF DATA CENTERS, DATA CENTER FACILITIES, LARGE-SCALE DATA CENTERS, AND LARGE LOAD CUSTOMER FACILITIES WITHIN THE MUNICIPAL LIMITS OF CITY OF ZEPHYRHILLS; PROVIDING LEGISLATIVE FINDINGS OF FACT; PROVIDING DEFINITIONS; DIRECTING CITY STAFF TO REVIEW AND PREPARE LAND DEVELOPMENT CODE AND RELATED REGULATORY AMENDMENTS; PROVIDING FOR SEVERABILITY, REPEALER, AND AN EFFECTIVE DATE. "**

### **Issue:**

Recent advances in cloud computing, artificial intelligence, machine learning, cryptocurrency mining, and other computationally intensive technologies have resulted in a substantial increase in the development of large-scale data centers throughout Florida and the United States. These facilities often require significant and continuous electrical demand, large quantities of water for cooling, extensive utility infrastructure, backup power generation systems, telecommunications infrastructure, and specialized public safety and emergency response capabilities.

The Florida Legislature recently enacted Chapter 2026-65, Laws of Florida, creating Section 163.326, Florida Statutes, which recognizes that certain land uses, including data centers and other large load customers, present unique planning, infrastructure, and compatibility considerations. The legislation further affirms the authority of local governments to exercise their comprehensive planning and land development responsibilities regarding such facilities.

The City's current Land Development Code does not contain specific standards governing the location, design, operation, infrastructure impacts, utility demands, environmental considerations, or compatibility requirements associated with data centers or other large load customer facilities. As a result, staff believes it is prudent to temporarily pause consideration of such facilities while a comprehensive review of the City's regulations is conducted.

The proposed moratorium is intended to preserve the status quo while the City evaluates the potential impacts of these facilities and develops appropriate regulatory standards to ensure that future development occurs in a manner consistent with the City's long-term planning objectives and infrastructure capabilities.

**Background:**

Data centers and large load customer facilities present a variety of unique considerations that are not specifically addressed in the City's existing development regulations.

These considerations include:

- Significant electrical demand and associated utility infrastructure requirements.
- Potential impacts on local and regional power grid capacity.
- Water supply demands associated with cooling systems and related operations.
- Wastewater generation and treatment capacity requirements.
- Stormwater management and site design considerations.
- Noise, lighting, and visual impacts on surrounding properties.
- Emergency response planning and fire protection requirements.
- Backup generation facilities, battery energy storage systems, and fuel storage considerations.
- Land use compatibility with surrounding residential, commercial, and industrial development.
- Long-term environmental and natural resource impacts.

**Attachment(s):**

1. Ordinance 1523-26 Data Centers Moratorium (39722228v3)
2. Data Center - Business Impact Estimate

**Fiscal Impact:**

There is no direct fiscal impact associated with adoption of the ordinance.

**Staff Recommendation:**

Staff recommends approval of Ordinance No. 1523-26 establishing a temporary one-year moratorium on the acceptance, processing, review, approval, and issuance of development approvals for data centers, data center facilities, large-scale data centers, and large load customer facilities within the City of Zephyrhills.

**ORDINANCE NO. 1523-26**

**AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA ESTABLISHING A TEMPORARY MORATORIUM ON THE ACCEPTANCE, PROCESSING, REVIEW, APPROVAL, OR ISSUANCE OF BUILDING PERMITS, REZONINGS, SITE PLANS, CONDITIONAL USE APPROVALS, VARIANCES, COMPREHENSIVE PLAN AMENDMENTS, OR OTHER CITY APPROVALS FOR THE CONSTRUCTION, ESTABLISHMENT, EXPANSION, OR INTENSIFICATION OF DATA CENTERS, DATA CENTER FACILITIES, LARGE-SCALE DATA CENTERS, AND LARGE LOAD CUSTOMER FACILITIES WITHIN THE MUNICIPAL LIMITS OF CITY OF ZEPHYRHILLS; PROVIDING LEGISLATIVE FINDINGS OF FACT; PROVIDING DEFINITIONS; DIRECTING CITY STAFF TO REVIEW AND PREPARE LAND DEVELOPMENT CODE AND RELATED REGULATORY AMENDMENTS; PROVIDING FOR SEVERABILITY, REPEALER, AND AN EFFECTIVE DATE.**

**WHEREAS**, as provided in section 2(b), Article VIII of the Constitution of the State of Florida, and section 166.021(1), Florida Statutes, the City of Zephyrhills, Florida (the “City”), a municipal corporation, enjoys all governmental, corporate, and proprietary powers necessary to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except as expressly prohibited by law; and

**WHEREAS**, as provided in section 166.021(3), Florida Statutes, the governing body of each municipality in the state has the power to enact legislation concerning any subject matter upon which the state Legislature may act, except when expressly prohibited by law; and

**WHEREAS**, section 166.041, Florida Statutes, establishes procedures for the adoption of municipal ordinances; and

**WHEREAS**, the City Council recognizes the importance of maintaining land development regulations that reflect current law, promote orderly development, protect public infrastructure, and preserve the health, safety, and welfare of the community; and

**WHEREAS**, data centers, data center facilities, large-scale data centers, and large load customer facilities may require significant and continuous electric demand, water supply, cooling infrastructure, wastewater capacity, stormwater infrastructure, backup generation, fuel storage, fire protection, emergency response planning, security infrastructure, and related public facilities and services; and

**WHEREAS**, such facilities may present unique planning, infrastructure, compatibility, environmental, utility, and public safety considerations; and

**WHEREAS**, Chapter 2026-65, Laws of Florida, created section 163.326, Florida Statutes, relating to large load customer considerations; and

**WHEREAS**, section 163.326, Florida Statutes, recognizes that certain land uses, including facilities with substantial electric or other utility demands, such as data centers and other large load customers, may present unique planning, infrastructure and compatibility considerations; and

**WHEREAS**, section 163.326, Florida Statutes, further recognizes that local governments maintain authority to exercise powers and responsibilities for comprehensive planning and land development regulation with respect to large load customers; and

**WHEREAS**, the City Council finds that the City’s current Land Development Code and related development regulations do not contain sufficient specific standards addressing the siting, compatibility, infrastructure capacity, water demand, environmental impacts, emergency service impacts, and operational characteristics of data centers, data center facilities, large-scale data centers, and large load customer facilities; and

**WHEREAS**, the City Council finds that allowing such facilities to be constructed, established, expanded, intensified, approved, or vested before the City has completed appropriate study and regulatory review could create risks to the City's land use planning objectives, infrastructure capacity, water and wastewater systems, electric infrastructure coordination, emergency response capacity, environmental resources, surrounding properties, and long-term community development strategy; and

**WHEREAS**, Courts have recognized that local governments may enact temporary land use moratoria when such moratoria are intended to preserve the status quo and are rationally related to the government's effort to study and adopt appropriate land development regulations. *See WCI Communities Inc. v. City of Coral Springs*, 885 So. 2d 912 (Fla. 4th DCA 2004); *see Tahoe-Sierra Pres. Council, Inc. v. Tahoe Reg'l Planning Agency*, 535 U.S. 302, 337, 122 S.Ct. 1465, 152 L.Ed.2d 517 (2002); and

**WHEREAS**, the City Council finds that a temporary moratorium is necessary and appropriate to preserve the status quo while City staff, consultants, and legal counsel review the City's Land Development Code and related regulations and prepare appropriate amendments addressing data centers, data center facilities, large-scale data centers, and large load customer facilities; and

**WHEREAS**, the City Council finds that a one-year moratorium is reasonable in duration and necessary to allow for staff review, technical analysis, utility coordination, public input, drafting, legal review, notice, public hearings, adoption, and implementation of appropriate regulations; and

**WHEREAS**, the City Council finds that this Ordinance serves a valid municipal purpose and is necessary to protect the public health, safety and welfare of the residents, businesses, property owners, and visitors of the City of Zephyrhills.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA, AS FOLLOWS:**

**Section 1. Authority.**

This Ordinance is enacted pursuant to Chapter 163, Florida Statutes, and Chapter 166, Florida Statutes, under the home rule powers of the City.

**Section 2. Legislative Findings of Fact.**

The foregoing **WHEREAS** clauses are hereby adopted as legislative findings of the City Council of the City of Zephyrhills and are ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon adoption hereof.

**Section 3. Intent.**

The intent of this Ordinance is to establish a temporary moratorium on the acceptance, processing, review, approval, or issuance of applications and approvals for data centers, data center facilities, large-scale data centers, and large load customer facilities within the municipal limits of the City of Zephyrhills while the City studies and prepares appropriate amendments to its Land Development Code and related regulations.

**Section 4. Definitions.**

For the purposes of this Ordinance, the following words, terms, and phrases, including their respective derivatives, have the following meanings:

- a. *Data Center* means a facility, building, dedicated space within a building, or group of buildings whose primary purpose is to process, store, transmit, distribute, host, or manage digital information, data, or electronic information, and which contains computer systems, servers, networking equipment, telecommunications equipment, data processing systems, digital storage systems, environmental control equipment, cooling systems, power distribution equipment, or other associated components.

b. *Data center facility* means a data center and any accessory, supporting, or related infrastructure, equipment, structure, or use, including but not limited to air handlers, chillers, cooling towers, water cooling systems, water storage facilities, electrical rooms, electrical substations transformers, switchgear, backup generators, battery energy storage systems, fuel storage, security infrastructure, telecommunications infrastructure, and other infrastructure used to support data center operations.

c. *Covered Facility* means any Data Center, Data Center Facility, Large-Scale Data Center, or Large Load Customer Facility, as those terms are defined in this Ordinance.

d. *Large load customer facility* means any facility, use, development, or operation with an anticipated monthly peak electric load of fifty megawatts or more, calculated as the highest average load over a fifteen-minute interval at a single location. A customer, applicant, owner, operator, tenant, affiliate, or related entity may not separate or divide electrical load into multiple smaller connections, meters, accounts, parcels, phases, tenants, buildings, or related facilities at a single location for the purpose of avoiding this definition. The term includes customers or other entities that have entered into a colocation, hosting, leasing, service, or similar agreement at a single location where the aggregate anticipated monthly peak load at that location meets or exceeds fifty megawatts.

e. *Large-scale data center* means a data center, data center facility, or single location containing one or more data center uses that has an anticipated monthly peak electric load of fifty megawatts or more, calculated as the highest average load over a fifteen-minute interval. The term includes customers, tenants, users, operators, or other entities that have entered into colocation, hosting, leasing, services, or similar agreement at a single location where the aggregate anticipated monthly peak load at that location meets or exceeds fifty megawatts.

f. *Development approval* means any rezoning, comprehensive plan amendment, conditional use approval, special exception, variance, site plan approval, development agreement, development order, development permit, building permit, construction plan approval, engineering approval, certificate of concurrency, capacity reservation, utility capacity approval, or other City approval necessary to establish, construct, expand, intensify, or operate a Covered Facility.

g. *Expansion or intensification* means any physical, operational, electrical, utility, site, structural, or equipment related change that increases or is reasonably expected to increase floor area, impervious area, electric load, water demand, wastewater generation, cooling capacity, generator capacity, battery storage capacity, fuel storage capacity, server capacity, operational intensity, or public facility demand associated with a Covered Facility.

h. *Moratorium Period* means the period beginning on the effective date of this Ordinance and ending one year thereafter, unless earlier terminated or extended by ordinance of the City Council.

## **Section 5. Temporary Moratorium**

A temporary moratorium is hereby imposed on the acceptance, processing, review, approval, or issuance of any Development Approval for the establishment, Expansion or Intensification of any Covered Facility within the municipal limits of the City of Zephyrhills.

During the Moratorium Period, City staff shall not accept, process, review, approve, or issue any such application or approval, except as expressly provided in this Ordinance. Examples of uses or activities covered by this Ordinance include, but are not limited to, cryptocurrency mining, artificial intelligence computing, machine learning computing, high-performance computing, weather modeling, genome sequencing, application hosting, cloud storage, data hosting, data processing, and similar computationally intensive uses.

## **Section 6. Duration.**

The temporary moratorium imposed by section 5 of this Ordinance expires as of the earliest of the following occurrences:

- a. Twelve (12) months from the effective date of this Ordinance; or
- b. A date before the expiration in subsection 6(a) above, if provided by Ordinance of the City Council of the City of Zephyrhills, Florida.

#### **Section 7. Applicability and Pending Applications.**

This Ordinance applies to all new applications submitted on or after the effective date of this Ordinance.

This Ordinance also applies to all pending applications, including any application submitted before the effective date of this Ordinance, regardless of whether the application has been deemed complete.

No applicant shall obtain vested rights by submitting an application on or after the effective date of this Ordinance.

#### **Section 8. Study and Evaluation.**

The City Council hereby directs City staff, in consultation with the City Attorney, consultants, utility providers, and other appropriate agencies or stakeholders, to review the City's Land Development Code and related development regulations and prepare proposed amendments addressing the siting, design, review, compatibility, infrastructure capacity, environmental impacts, water resource impacts, emergency service impacts, public safety impacts, and public facility impacts of Covered Facilities. During the Moratorium Period, City staff shall conduct a comprehensive review of the potential impacts associated with Covered Facilities, including but not limited to:

1. Groundwater withdrawal impacts, particularly as they relate to the Floridan Aquifer and regional aquifer management policies.
2. Water supply and wastewater treatment capacity, including potential impacts on municipal and regional water systems.
3. Electrical grid capacity and infrastructure requirements, including consultation with regional electric utilities regarding potential long-term demand impacts.
4. Land use compatibility, including appropriate zoning classifications and development standards for such facilities.
5. Environmental considerations, including impacts on wetlands, coastal ecosystems, noise, lighting, and surrounding land uses.
6. Best practices adopted by other jurisdictions in Florida and throughout the United States for the regulation of data center development.

#### **Section 9. Enforcement.**

Any Development Approval issued in violation of this Ordinance shall be null and void. Any person who commences or continues the construction, establishment, Expansion, or Intensification of a Covered Facility in violation of this Ordinance shall be subject to code enforcement proceedings and the penalties provided in the City of Zephyrhills Code of Ordinances. The city may seek injunctive or other equitable relief in a court of competent jurisdiction to enforce this Ordinance. Each day a violation continues shall constitute a separate offense.

#### **Section 10. Notice to Applicants.**

Within thirty (30) days after the effective date of this Ordinance, City staff shall provide written notice of this moratorium to all applicants with pending applications for Development

Approvals for Covered Facilities. City staff shall also post notice of this moratorium on the City’s official website and at City Hall. Such notice shall include a summary of the moratorium, the anticipated duration, and contact information for the City Clerk.

**Section 11. Repealer.**

Any and all ordinances in conflict herewith are hereby repealed or suspended to the extent any conflict exists during the Moratorium Period.

**Section 12. Severability.**

It is declared to be the intent of the City Council of the City of Zephyrhills, Florida, that if any section, subsection, sentence, clause, or provision of this ordinance is held invalid, the remainder of the Ordinance shall be construed as not having continued the said section, subsection, sentence, clause, or provision and shall not be affected by such holding.

**Section 13. Effective Date.**

This Ordinance shall become effective upon passage on the second reading and signing by the Mayor.

The foregoing Ordinance No. 1523-26 was read and passed on the first reading in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 8<sup>th</sup> day of June, 2026.

Attest: \_\_\_\_\_  
Ricardo Quiñones, City Clerk

\_\_\_\_\_  
Steven F. Spina  
Council President

The foregoing Ordinance No. 1523-26 was read and passed on the second reading, following a public hearing, in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 22<sup>nd</sup> day of June, 2026.

Attest: \_\_\_\_\_  
Ricardo Quiñones, City Clerk

\_\_\_\_\_  
Steven F. Spina  
Council President

The foregoing Ordinance No: 1523-26 was approved by me this 22<sup>nd</sup> day of June, 2026.

\_\_\_\_\_  
Melonie Bahr Monson, Mayor

Approved as to legal form and content:

\_\_\_\_\_  
Matthew E. Maggard, Esq.  
City Attorney



# Zephyrhills

## Business Impact Estimate

*This form should be included in the agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the City of Zephyrhills website by the time notice of the proposed ordinance is published.*

**Proposed ordinance's Ordinance Number and Short Title:**

This Business Impact Estimate is provided in accordance with Section 166.041(4), Florida Statutes. If one or more boxes are checked below, this means the City of Zephyrhills (City) is of the view that a business impact estimate is not required by state law<sup>1</sup> for the proposed ordinance, but the City is, nevertheless, providing this Business Impact Estimate as a courtesy and to avoid any procedural issues that could impact the enactment of the proposed ordinance. This Business Impact Estimate may be revised following its initial posting.

- The proposed ordinance is required for compliance with Federal or State law or regulation;
- The proposed ordinance relates to the issuance or refinancing of debt;
- The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;
- The proposed ordinance is an emergency ordinance;
- The ordinance relates to procurement; or
- The proposed ordinance is enacted to implement the following:
  - a. Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
  - b. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
  - c. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
  - d. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

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<sup>1</sup> See Section 166.041(4)(c), Florida Statutes

In accordance with the provisions of controlling law, even notwithstanding the fact that an exemption noted above may apply, the City of Zephyrhills hereby publishes the following information:

1. Summary of the proposed ordinance (must include a statement of the public purpose, such as serving the public health, safety, morals and welfare):

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit business in the City of Zephyrhills, if any:

- (a) An estimate of direct compliance costs that businesses may reasonably incur;
- (b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible; and
- (c) An estimate of the City of Zephyrhills regulatory costs, including estimated revenues from any new charges or fees to cover such costs.

3 Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance

4 Additional information the governing body deems useful (if any):

## **BUSINESS ITEMS 4.4**

### Food Truck Ordinance

First Reading Ordinance No. 1524-26 " **AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING THE CITY OF ZEPHYRHILLS CODE OF ORDINANCES, REPEALING AND REPLACING SECTION 121: MOBILE FOOD VENDING; AMENDING THE REGULATIONS OF MOBILE FOOD OPERATIONS; ESTABLISHING REGULATIONS FOR TEMPORARY OR AUXILIARY KITCHENS ASSOCIATED WITH BARS OR TAVERNS; PROVIDING FOR APPLICABILITY, REPEALER, SEVERABILITY, INCLUSION IN THE CODE, SCRIVENER'S ERROR AND AN EFFECTIVE DATE. "**

#### **Issue:**

The City's existing Mobile Food Vending regulations require updates to ensure consistency with current Florida law and to establish clear operational standards for mobile food vendors within the City of Zephyrhills. In 2020, the Florida Legislature adopted Section 509.102, Florida Statutes, which preempts local governments from requiring separate licenses, registrations, permits, or fees for state-licensed mobile food dispensing vehicles. While the statute limits local regulation in certain areas, municipalities retain authority to regulate zoning, land use, public safety, traffic circulation, right-of-way use, and other operational impacts associated with mobile food activities.

This ordinance repeals and replaces Chapter 121 of the City Code to create a regulatory framework that balances state preemption requirements with the City's responsibility to protect public health, safety, and welfare.

#### **Background:**

The ordinance establishes comprehensive regulations governing mobile food operations throughout the City, including:

- Clarifies definitions for Mobile Food Vendors, Mobile Food Dispensing Vehicles, Mobile Food Establishments, and Food Truck Courts.
- Recognizes state licensing authority and expressly eliminates any separate City licensing or permit requirement for mobile food vendors.
- Establishes permitted locations and operational standards for mobile food vendors on private non-residential properties, City parks, and limited areas of the public right-of-way.
- Prohibits mobile food operations on residential properties, with limited exceptions for

Community Development District (CDD) and homeowners' association common areas and active construction sites.

- Creates standards and approval requirements for Food Truck Courts, including parking, landscaping, lighting, restroom facilities, waste management, and site design requirements.
- Establishes uniform operational standards regarding hours of operation, setbacks, signage, sanitation, waste disposal, electrical service, noise, and public safety.
- Clarifies regulations for mobile food vendors participating in special events.
- Creates a new section addressing temporary or auxiliary kitchens associated with bars, taverns, and similar drinking establishments to prevent the use of temporary food preparation units as a means of satisfying restaurant requirements for zoning or alcohol licensing purposes.

**Attachment(s):**

1. Ordinance 1524-26 Food Truck Ordinance (39748482v1)

**Fiscal Impact:**

No significant fiscal impact is anticipated. Administration and enforcement of the ordinance will be performed through existing staff resources.

**Staff Recommendation:**

Staff recommends approval of Ordinance No. 1524-26 on the first reading.

**ORDINANCE NO. 1524-26**

**AN ORDINANCE OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING THE CITY OF ZEPHYRHILLS CODE OF ORDINANCES, REPEALING AND REPLACING SECTION 121: MOBILE FOOD VENDING; AMENDING THE REGULATIONS OF MOBILE FOOD OPERATIONS; ESTABLISHING REGULATIONS FOR TEMPORARY OR AUXILIARY KITCHENS ASSOCIATED WITH BARS OR TAVERNS; PROVIDING FOR APPLICABILITY, REPEALER, SEVERABILITY, INCLUSION IN THE CODE, SCRIVENER'S ERROR AND AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to Article VIII, Florida Constitution of 1968, and Chapter 166, Florida Statutes, the City of Zephyrhills has the authority to adopt regulations relating to Mobile Food Vendors; and

**WHEREAS**, the City Council recognizes that effective July 1, 2020, Section 509.102, Florida Statutes, provides a limited state preemption regarding “mobile food dispensing vehicles” and that a municipality may not require a separate license, registration or permit other than the license required by the state, or require the payment of any license, registration, or permit fee other than the fee required by the state, as a condition for the operation of a Mobile Food Dispensing Vehicle within the municipality; and

**WHEREAS**, the City Council also recognizes that Section 509.102, Florida Statutes provides that a municipality may not prohibit mobile food dispensing vehicles from operating within the entirety of a municipal jurisdiction; and

**WHEREAS**, the City Council finds that although Section 509.102, Florida Statutes does preempt municipalities in certain areas, Section 509.102, Florida Statutes is intended to be a partial preemption of municipal home rule authority because it expressly states that “this section may not be construed to effect a municipality, county or other local governmental entity’s authority to regulate the operation of mobile food dispensing vehicles other than the regulations described in Section 509.102(2), Florida Statutes”; and

**WHEREAS**, the City Council finds that despite Section 509.102, Florida Statutes, municipalities continue to enjoy significant home rule authority to regulate land use, zoning, and operational standards related to mobile food operations; and

**WHEREAS**, the City intends that this Ordinance be administered in a manner consistent with section 509.102, Florida Statutes, and that no separate City license, registration, or permit—or related fee—shall be imposed on Mobile Food Dispensing Vehicles, with City regulation limited to zoning, right-of-way use, fire and life safety, traffic, and other land-use impacts;

**WHEREAS**, the City Council finds that mobile food operations provide an important resource to the community different in nature than mobile non-food retail sales; and

**WHEREAS**, the City Council is supportive of the legal, safe and sanitary operation of mobile food operations in the incorporated area of the City of Zephyrhills; and

**WHEREAS**, the City Council finds that the use and operation of mobile food operations on real property directly affects the use of land within the city, and therefore, such uses are subject to the City’s legitimate land use and zoning powers under Florida Municipal Home Rule Powers Act, Community Planning and other applicable law; and

**WHEREAS**, the City Council deems it necessary to regulate mobile food operations on streets and rights-of-way within the city to ensure sufficient pedestrian and vehicle traffic and avoid traffic conflicts and congestion, and otherwise generally protect public safety; and

**WHEREAS**, the City Council of the City of Zephyrhills, Florida, hereby finds this Ordinance to be in the best interest of public health, safety and welfare, and that it advances a valid and important public purpose.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Zephyrhills, Florida, as follows:

**SECTION 1: RECITALS.**

The Whereas clauses above are true and accurate and are incorporated by reference and made a part of this Ordinance.

**SECTION 2: MOBILE FOOD VENDING ORDINANCE.**

Chapter 121: Mobile Food Vending, of the Code of Ordinances, is hereby repealed in its entirety and replaced with the following:

**CHAPTER 121 – MOBILE FOOD VENDING**

**121.01 Mobile Food Vendors.**

(A) **Definitions.** For the purpose of this chapter, the following definitions shall apply, unless the context clearly indicates or requires a different meaning:

- (1) ***Food Truck Court.*** A site developed and/or improved for the location of two (2) or more Mobile Food Vendors (food trucks) as either a principal or accessory use located on the same parcel.
- (2) ***Mobile Food Dispensing Vehicle.*** The term Mobile Food Dispensing Vehicle shall have the same meaning as set forth in Section 509.102, Florida Statutes, and shall mean any vehicle that has a public food service establishment and that is self-propelled or otherwise moveable from place to place and includes self-contained utilities, including, but not limited to, gas, water, electricity, or liquid waste disposal. Mobile food dispensing vehicles are regulated by the Florida Department of Business and Professional Regulation (DBPR), Division of Hotels and Restaurants, and are sometimes referred to as “food trucks.”
- (3) ***Mobile Food Establishment.*** Mobile Food Establishments are individuals selling prepackaged foods or non-potentially hazardous food items (other than fresh fruits and vegetables) from trucks, trailers or similar self-propelled conveyances, or non-fixed structures such as tables, booths or kiosks. Mobile food establishments are regulated by the Florida Department of Agriculture and Consumer Services (FDACS).
- (4) ***Mobile Food Operations.*** The preparation/cooking and/or sale of food from a portable stand, vehicle, cart, kiosk or trailer.
- (5) ***Mobile Food Vendor.*** For the purpose of this chapter, a mobile food vendor shall include both mobile food dispensing vehicles and mobile food establishments.

(B) **Intent and Purpose.**

- (1) It is the intent of this chapter to establish regulations related to the location and operation of Mobile Food Vendors on private and public property within the city.
- (2) The purpose of this chapter is to promote the public health, safety, and general welfare by providing reasonable regulations and review procedures that allow Mobile Food Vendors to operate in a safe, orderly, and sanitary manner.
- (3) It is not the intent of this chapter to:
  - (a) Prohibit Mobile Food Dispensing Vehicles from operating within the City;
  - (b) Regulate the licensing, registration, or permitting of mobile food dispensing vehicles, or the fees associated therewith, where such authority is expressly preempted to the State pursuant to Section 509.102, Florida Statutes; or

- (c) Regulate food delivery services, food prepared by individuals for private consumption where such food is not offered for public sale, or the operation of produce stand.
  - (4) Notwithstanding state preemption of licensing and permitting, the City retains authority to regulate the zoning, location, hours of operation, sanitation, safety, and other land use impacts of mobile food vendors in order to protect the health, safety, and welfare of the public
  - (5) The provisions of this chapter shall apply to all qualifying Mobile Food Vendors and to private property owners hosting Mobile Food Vendors on all Light Industrial (LI) zoned properties within the City. These provisions shall also apply to Mobile Food Vendors and/or the establishment of a Food Truck Court within the Form-Based Code (FBC) area of the Zephyrhills; provided, however, that this chapter shall not apply within the Special District (SD) or within the area bounded by 4th Avenue to 6th Avenue and 5th Street to Gall Boulevard, where mobile food operations are expressly prohibited (see Exhibit A).
  - (6) In addition, Mobile Food Vendors shall be permitted on any active construction site within the City, subject to compliance with all applicable safety, access, and operational requirements of this chapter and all other applicable federal, state, and local regulations.
  - (7) Qualifying Mobile Food Vendors may avail themselves of the provisions of this chapter. Qualifying Mobile Food Vendors are those meeting all applicable requirements of the Florida Department of Agriculture and Consumer Services, Division of Food Safety or the Florida Department of Business and Professional Regulations, Division of Hotels and Restaurants, as applicable; and the Florida Department of Health; Florida Statutes; the Florida Administrative Code; the FDA Food Code, as may be amended from time to time; the National Fire Protection Association Codes and Standards; the Florida Building Code; the Florida Fire Prevention Code; and the city's Code of Ordinances and Land Development Code; and all required permits and licenses from the State of Florida.
  - (8) Private property owners may avail themselves of these provisions and host qualifying Mobile Food Vendors regularly on their sites in accordance with Section 121.03, and/or to develop non-residential property as a Food Truck Court in accordance with Section 121.06.
- (C) **Licensing.** In accordance with Section 509.102, Florida Statutes, the City of Zephyrhills does not require a separate license, registration or permit other than the license, registration and/or permit required by the state, nor does the City require a separate license, registration and/or permit fee other than the fee required by the state, as a condition for the operation of a Mobile Food Dispensing Vehicle within the city. The City further extends this standard to mobile food establishments and all Mobile Food Vendors covered by this chapter. Mobile food operation in the city limits without a valid State of Florida license, registration or permit, as may be required, shall be prohibited. Nothing in this Chapter shall be construed to impose a separate City license, registration, or permit, or any related fee, on Mobile Food Dispensing Vehicles, or to prohibit Mobile Food Dispensing Vehicles from operating within the entirety of the City, in a manner inconsistent with section 509.102, Florida Statutes. This Chapter regulates location, hours, sanitation as a site condition, safety, traffic, and other land-use impacts pursuant to the City's home-rule and zoning authority.
- (D) **Enforcement and Right to Inspect.** The City may inspect sites and operations for compliance with this Chapter, the Land Development Code, the Florida Building Code, the Florida Fire Prevention Code, and other applicable laws within the City's police powers, including but not limited to fire and life safety, right-of-way use, traffic and pedestrian safety, signage, noise, stormwater, and public nuisance. City inspections shall not duplicate state inspections of food-handling or sanitation matters within the exclusive jurisdiction of the Florida Department of Business and Professional Regulation or the Florida Department of Agriculture and Consumer Services, except as otherwise authorized by law.

### **121.02 Mobile Food Vendors on Residential Properties Prohibited.**

- (A) Mobile Food Vendors are prohibited from operating on all residential property within the City of Zephyrhills. For purposes of this section, residential property shall include: (this section shall not apply to Mobile Food Vendors operating at active construction sites as permitted under Section B(6)121.01(B)(6), above):
  - (1) All property zoned residential (ER, R1, R2, R3, R4, M1, M2, M3, M4);
  - (2) All residential portions of Planned Unit Developments (PUDs); and
  - (3) All property used for residential purposes, including existing non-conforming residential uses located on non-residentially zoned property.
- (B) Property zoned residential but designated and used for recreational amenities or common parking areas owned by a Community Development District (CDD) or property owners' association shall be exempt from this prohibition and considered non-residential property for purposes of this section.
- (C) CDD's and property owners' associations may permit mobile food vendors on such properties in accordance with the requirements and procedures established in Section 121.03.

### **121.03 Mobile Food Vendors on Private Non-Residential Property.**

- (A) Mobile Food Vendors may operate on private non-residential property, subject to the following conditions:
- (B) The Mobile Food Vendor must have the express written permission of the property owner (or the owner's authorized agent) to operate on the site, and a copy of such permission shall be kept on the vendor's vehicle and made available for inspection upon request.
  - (1) The subject property shall not be vacant or undeveloped.
  - (2) The subject property shall not be under an active code enforcement violation.
  - (3) The property owner shall require that all mobile food vendors comply with applicable federal, state, and local regulations, as well as zoning requirements pertaining to the property and the Mobile Food Operation.
  - (4) The property owner and the mobile food vendor shall be jointly and severally responsible for any code violations arising from mobile food operations conducted on the property.
  - (5) The property owner shall ensure that the property is maintained in a neat, clean, and orderly condition at all times. Mobile Food Operations shall be limited to accessory use of the property unless developed and approved as a Food Truck Court in accordance with Section 121.06.
  - (6) No more than one (1) Mobile Food Operation shall be permitted on private property, except as authorized under the standards for Food Truck Courts set forth in Section 121.06.
  - (7) Compliance with all applicable local codes and ordinances shall be required.
  - (8) General regulations in Section 121.07 shall apply.

### **121.04 Mobile Food Vendors in City Parks.**

- (A) Mobile Food Vendors shall be permitted to operate as a temporary use within City parks, subject to the following:

- (1) Vendors shall locate only within designated mobile food vendor spaces posted by the City of Zephyrhills.
  - (a) Spaces shall be available on a first-come, first-served basis and may not be individually reserved.
  - (b) The City reserves the right to remove, relocate, or temporarily close any designated space at any time without prior notice.
  - (c) Designated spaces shall be closed by the City on the day of any permitted special event occurring within the park. Vendors wishing to participate in such events must obtain approval from the special event permit holder.
- (B) Mobile Food Vendors shall be considered a temporary use only and shall not locate or operate within the same City park more than three (3) calendar days per week.
- (C) Mobile Food Vendors shall not drive upon, through, or otherwise locate within any area of a park designated for open space, recreation, pedestrian circulation, or any area closed to vehicular or public access.
- (D) Mobile Food Vendors shall comply with all park rules and regulations, whether posted on-site or set forth in the City of Zephyrhills Code of Ordinances, including but not limited to Section 130.22, in addition to the requirements of this chapter. Vendors shall not locate or operate within any park outside of posted park hours.
- (E) Mobile Food Vendors shall not be parked, stored, or left overnight within any public park.
- (F) No more than one (1) mobile food vendor shall operate within a City park at any one time, except when participating in a permitted special event.
- (G) General regulations in Section 121.07 shall apply.

**121.05 Mobile Food Vendors on Public Right-of-Way.**

Mobile Food Vendors are prohibited from parking, locating, or operating within or upon any public or private right-of-way, street, alleyway, sidewalk, or trail in the City, except as provided herein. Mobile Food Vendors may be permitted to temporarily park, locate, and operate from City on-street parallel parking spaces within the TCBD, TCBD-H, TMU, TMU-H, and within mapped Form-Based Code transect zones authorizing on-street vending (including T5 zoning districts, where designated), subject to the following conditions: Use of curb space remains subject to posted parking/time limits, temporary closures, and traffic control devices, and may be suspended for special events or public-safety needs without prior notice.

- (A) Mobile Food Vendors shall be located only within public parallel parking spaces adjacent to a City street and shall be oriented to vend to patrons on the sidewalk. Under no circumstances shall vending occur directly to patrons located within the street.
- (B) Mobile Food Vendors shall not be parked, stored, or left overnight within the public right-of-way.
- (C) Mobile Food Vendors operating pursuant to this section shall be considered a temporary use and shall not operate on the same public street for more than three (3) calendar days per week.
- (D) No more than two (2) mobile food operations shall be permitted to park, locate, or operate simultaneously along the same City roadway or right-of-way. Such locations shall be allocated on a first-come, first-served basis.
- (E) Accessory seating areas, tents, or similar appurtenances are prohibited when operating a mobile food dispensing vehicle under this section.

(F) General regulations set forth in Section 121.07 shall apply.

### **121.06 Food Truck Courts**

Persons seeking to establish a permanent site on non-residential private property for the simultaneous operation of multiple Mobile Food Vendors (“Food Truck Court”) shall be subject to the following requirements:

- (A) A site development plan, pursuant to Section 4.03.03 of the Land Development Code (LDC), shall be submitted for review and approval by the Site Plan Review Committee.
- (B) Food Truck Courts shall be designed and developed in compliance with the following standards:
  - (1) **Setbacks.** A minimum setback of ten (10) feet shall be maintained from all property lines.
  - (2) **Parking.** Parking areas for Mobile Food Vendors shall consist of an improved, stabilized surface, including concrete, asphalt, gravel, or similar material. Where located within an off-street parking area, spaces utilized shall be credited toward the minimum parking ratio required for the principal use. Parking shall not be reduced below the minimum required for the principal use, pursuant to Part 7.03.00, LDC. To the extent operation materially reduces available customer parking for the principal use, the Site Plan Review Committee may require a parking assessment and operational plan to ensure compliance with LDC § 7.03.04.
  - (3) **Solid Waste.** Solid waste and recycling receptacles shall be provided. All waste and recyclables shall be disposed of in an approved off-site facility or in an on-site dumpster provided by the property owner.
  - (4) **Landscaping.** Adequate landscape screening and buffering shall be provided in accordance with Part 7.06.00, LDC. Where a Food Truck Court is located on property with an existing principal use, landscaping for the entire property shall comply with, or be brought into compliance with, Part 7.06.00, LDC prior to final approval.
  - (5) **Lighting.** Adequate lighting shall be provided during non-daylight hours to ensure safe conditions for pedestrians, bicyclists, and vehicles.
  - (6) **Separation.** A minimum separation of ten (10) feet shall be maintained between each Mobile Food Vendor.
  - (7) **Restrooms.** Adequate restroom facilities shall be provided on-site or through a written shared-use agreement with an adjacent property within 300 feet, connected by an ADA-compliant route, in compliance with applicable health and building codes.

(C) General regulations in Section 121.07 shall apply.

### **121.07 Mobile Food Vendor General Regulations.**

The following regulations shall apply to all Mobile Food Vendors, including those participating in an approved special event.

- (A) **Compliance.** Mobile Food Vendors shall ensure all required state-issued licenses, registration and/or permit information is available onsite at all times. Mobile Food Vendors shall be required to immediately comply with any request by law enforcement and/or code enforcement officers, which may include relocation of the Mobile Food Operation, if deemed by the officer to be creating an unsafe or hazardous condition, or otherwise not meeting the requirements of this Chapter.
- (B) **Hours of Operation.** Mobile Food Operations, including any setup and closure, shall be limited to the hours of 6:00 a.m. to 10:00 p.m., except as follows: When operating within 100

feet of residentially-zoned property, use of portable generators after 10:00 p.m. is prohibited unless connected to approved shore power.

- (1) When located on a site with a principal business whose hours extend beyond 10:00 p.m. unless when operating within 100 feet of residentially-zoned property, use of portable generators after 10:00 p.m. is prohibited a;
- (2) When operating as part of an approved special event; or
- (3) When located within a City Park, provided that no operation or location shall occur outside of park hours, regardless of whether participating in an approved special event.

(C) **Setbacks.** Mobile Food Vendors shall maintain the following minimum setbacks:

- (1) Five (5) feet from any crosswalk, handicap ramp, or building entrance/exit;
- (2) Five (5) feet from any sidewalk or trail, except when located along a public street or right-of-way, in compliance with Section 121.05 of this chapter;
- (3) Ten (10) feet from any driveway, intersection, or above-ground utility;
- (4) Fifteen (15) feet from any fire hydrant; and
- (5) Fifty (50) feet from any residentially-zoned property, except when operating at active construction sites as permitted under Section 121.01 (B)(6), above.

(D) **Signage.** In addition to signage affixed to the Mobile Food Dispensing Vehicle, one sandwich board sign shall be permitted, not exceeding three and one-half (3.5) feet in height and two (2) feet in width. Such sign shall be located within five (5) feet of the Mobile Food vendor. No flags, sandwich boards, menus, or other signage shall be placed within any roadway median or beyond five (5) feet from the Mobile Food Dispensing Vehicle.

(E) **Solid Waste.** Mobile Food Vendors shall provide trash and recycling receptacles, which shall be removed from the site each day, unless located within an approved Food Truck Court.

- (1) Public trash and recycling receptacles shall not be used by Mobile Food Vendors but may be used by patrons.
- (2) Dumpsters serving existing principal uses shall not be used without the express permission of the property owner.

(F) **Sanitation.** Mobile Food Vendors shall maintain the property and surrounding area in a clean and sanitary condition during and immediately following operations. The discharge of any liquid or solid waste into the stormwater drainage system, public rights-of-way, roadways, sidewalks, trails, landscaped areas, or grassed areas within the City of Zephyrhills is strictly prohibited.

(G) **Liquid Waste.** All liquid waste, including but not limited to grease and cooking oil, shall be disposed of through a licensed commissary or a licensed sanitary sewer disposal facility equipped with an approved grease trap. Disposal of liquid waste into any City-owned public trash or recycling receptacles, storm drains, sidewalks, landscaped areas, grassed areas, or any unauthorized location is strictly prohibited. Discharge of graywater to landscaped or grassed areas is prohibited. Mobile Food Vendors shall maintain an appropriate spill kit on site whenever operating generators or handling cooking oils or grease.

(H) **Electricity.** Electrical service may be supplied by an on-board generator or by a temporary electrical connection within an approved Food Truck Court. Connection to City-owned electrical receptacles is prohibited. All electrical service, including generators and temporary connections, shall comply with applicable fire, electrical, and safety codes.

- (I) **Seating Prohibited.** Mobile Food Vendors shall not provide seating of any kind, including but not limited to tables, chairs, benches, stools, or other furnishings, whether temporary, portable, or permanent. Seating areas intended for use by patrons of mobile food vendors are prohibited unless otherwise expressly authorized as part of an approved Food Truck Court pursuant to Section 121.06.
- (J) **General Prohibitions.** Mobile Food Vendors shall not:
  - (1) Park or operate within landscape buffers, islands, medians, or grassed rights-of-way;
  - (2) Obstruct designated clear sight triangles;
  - (3) Impede the safe movement of vehicles, pedestrians, or bicyclists, including parking lot circulation and access to sidewalks or crosswalks;
  - (4) Provide amplified music, announcements, or any other form of disruptive sound;
  - (5) Sell or dispense food to customers in moving vehicles or otherwise conduct drive-up sales;
  - (6) Sell or dispense alcohol, except during a permitted special event and in full compliance with all applicable state and local regulations, including LDC § 7.09.03;
  - (7) Engage in any activity that constitutes a public nuisance or otherwise endangers the health, safety, or general welfare of the public.

**121.08 Mobile Food Operations During Special Events.**

Areas within City parks, streets, and rights-of-way designated for Mobile Food Vendors shall be closed for use by the City on the day of, or immediately prior to, a permitted special event. Mobile Food Vendors shall not operate or locate within the boundaries of a permitted special event unless expressly authorized by the event promoter as an approved participant.

**121.09 Temporary or Auxiliary Kitchens Associated with Drinking Establishment, Bar, or Taverns.**

**(A) Purpose.** This section is intended to prevent temporary or auxiliary food preparation units, including trailers or mobile kitchens, from being used to satisfy the classification of a “restaurant” for zoning, permitting, or alcohol licensing purposes when associated with an existing drinking establishment, bar, tavern, or similar alcoholic beverage establishment.

**(B) Prohibitions.** Temporary or auxiliary food preparation units located in conjunction with a bar, tavern, or similar establishment shall not:

1. Be used to qualify the primary establishment as a “restaurant” as defined in Table 2.02.01 for zoning, permitting, or alcohol licensing purposes.;and administered under LDCand LDC § 7.09.03
2. Operate in the absence of a fully permitted, permanent food establishment on the premises.
3. Circumvent applicable health, safety, or zoning regulations.
4. Dispense alcohol independently of the primary establishment’s license, except as allowed for special events under state and local law.
5. Create any public nuisance, safety hazard, or otherwise endanger the health, safety, or general welfare of the public.

**(C) Enforcement.** Violations of this section may be enforced in accordance with City Code provisions for zoning, health, safety, or alcohol licensing compliance, including but not limited to issuance of notices of violation, fines, or suspension of operating privileges.

**(D) Relationship to Mobile Food Vendor Regulations.** This section shall not be construed to modify, amend, or limit the provisions of Section 121.07 or Section 121.08, which apply to state-licensed Mobile Food Vendors. Mobile Food Vendors operating independently of a bar or tavern are subject solely to Sections 121.07 and 121.08. Nothing in this section authorizes any temporary or auxiliary unit to satisfy “restaurant” status for zoning or alcohol purposes under LDC Table 2.02.01 or LDC § 7.09.03.

**SECTION 3 APPLICABILITY.**

All provisions of this Ordinance shall apply to the City Limits of the City of Zephyrhills, Florida.

**SECTION 4 REPEALER.**

Any ordinance or part of any ordinance in conflict herewith is hereby repealed to the extent of any conflict.

**SECTION 5 SEVERABILITY.**

If any provision or portion of this ordinance, or the application thereof, is declared invalid by any court of competent jurisdiction or found not in compliance by the State Land Planning Agency, such provision shall be severed. The severance shall not affect the validity of the remaining provisions of this ordinance, the City of Zephyrhills Comprehensive Plan, or the City of Zephyrhills Land Development Code.

**SECTION 6 INCLUSION INTO THE CODE OF ORDINANCES.**

The provisions of this Ordinance shall become and be made part of the Code of Ordinances and Land Development Code of the City of Zephyrhills, Florida. The sections of this Ordinance may be renumbered or re-lettered and the word “ordinance” may be changed to “section,” “article,” or such other appropriate word or phrase in order to accomplish such.

**SECTION 7 SCRIVENER’S ERROR.**

Corrections of typographical errors which do not affect the intent may be authorized by the City Manager, or the City Manager’s designee, without need of further action of the City Council by filing a corrected copy of same with the City Clerk.

**SECTION 8 EFFECTIVE DATE.**

This Ordinance shall become effective upon passage on the second reading and signing by the Mayor.

The foregoing Ordinance No. 1524-26 was read and passed on the first reading in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 8<sup>th</sup> day of June, 2026.

Attest:

\_\_\_\_\_  
Ricardo Quiñones, City Clerk

\_\_\_\_\_  
Steven F. Spina,  
Council President

The foregoing Ordinance No. 1524-26 was read and passed on the first reading in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 22<sup>nd</sup> day of June, 2026.

Attest:

\_\_\_\_\_  
Ricardo Quiñones, City Clerk

\_\_\_\_\_  
Steven F. Spina,  
Council President

The foregoing Ordinance No. 1524-26 was approved by me this 22<sup>nd</sup> day of June, 2026.

---

Melonie Bahr Monson, Mayor

Approved as to legal form and legal content  
for the reliance of the City of Zephyrhills only:

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Matthew E. Maggard, Esq.  
City Attorney

## **BUSINESS ITEMS 4.5**

### Industrial Sign Ordinance

First Reading Ordinance 1525-26 "AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA CREATING SECTION 8.17.00 OF THE LAND DEVELOPMENT CODE, LARGE-FORMAT INDUSTRIAL BUILDING SIGNAGE; PROVIDING FOR REPEALER, CODIFICATION, SEVERABILITY, AND AN EFFECTIVE DATE. "

#### **Issue:**

The purpose of this section is to recognize the unique visibility and identification needs of large industrial developments. Buildings exceeding 150,000 square feet typically occupy substantially larger sites and serve regional economic functions. The increased sign area is intended to provide reasonable identification while maintaining the overall aesthetic standards of the City.

#### **Background:**

As industrial development continues within the City, staff has identified the need for signage standards tailored to large-format industrial and logistics facilities. Due to their size and visibility, these buildings present unique signage considerations that differ from traditional commercial and industrial development.

Ordinance No. 1525-26 creates a new section within Article VIII (Signs) of the Land Development Code establishing sign regulations for buildings located within the Light Industrial (LI) and Airport Development (AP2) zoning districts that contain 150,000 square feet or more of gross floor area. The proposed standards provide for signage that is proportionate to building scale while maintaining architectural compatibility and minimizing visual impacts on adjacent properties and public rights-of-way.

The ordinance establishes maximum sign area, limits on the number and size of wall signs, design standards, and procedures for the review of master sign plans.

#### **Attachment(s):**

1. Ordinance 1525-26 - Industrial Sign Ordinance (39750792v1)

#### **Fiscal Impact:**

N/A

#### **Staff Recommendation:**

Approval

**ORDINANCE NO.: 1525-26**

**AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA CREATING SECTION 8.17.00 OF THE LAND DEVELOPMENT CODE, LARGE-FORMAT INDUSTRIAL BUILDING SIGNAGE; PROVIDING FOR REPEALER, CODIFICATION, SEVERABILITY, AND AN EFFECTIVE DATE.**

**WHEREAS**, as provided in section 2(b), Article VIII of the Constitution of the State of Florida, and section 166.021(1), Florida Statutes, the City of Zephyrhills, Florida (the "City"), a municipal corporation, enjoys all governmental, corporate, and proprietary powers necessary to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except as expressly prohibited by law; and

**WHEREAS**, as provided in section 166.021(3), Florida Statutes, the governing body of each municipality in the state has the power to enact legislation concerning any subject matter upon which the state legislature may act, except when expressly prohibited by law; and

**WHEREAS**, the City Council has determined that it is in the City's interest to amend the City's Land Development Code from time to time to assure that the Code adequately meets the needs of the City; and

**WHEREAS**, the City Council recognizes that large-format industrial and logistics buildings present unique signage challenges due to their scale and visibility, which differ from typical smaller-scale industrial or commercial development; and

**WHEREAS**, the City Council finds that establishing sign standards specifically tailored to large-format industrial buildings will allow signage that is proportionate to large building mass and scale, ensure high-quality design and compatibility with building architecture, and prevent excessive visual impacts on adjacent properties and public rights-of-way; and

**WHEREAS**, the City Council hereby finds and declares that this Ordinance is in the best interest of the public health, safety, and welfare, and that it advances a valid and important public purpose.

**NOW, THEREFORE, BE IT ENACTED, AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA, AS FOLLOW:**

**Section 1. Authority.**

This Ordinance is enacted pursuant to Chapter 163, Florida Statutes, and under the home rule powers of the City.

**Section 2. Legislative Findings of Fact.**

The foregoing WHEREAS clauses are hereby adopted as legislative findings of the City Council of the City of Zephyrhills and are ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon adoption hereof.

**Section 3. Creation of Section 8.17.00 of the City of Zephyrhills Land Development Code — Large-Format Industrial Building Signage.**

Section 8.17.00 — Large-Format Industrial Building Signage is hereby created as part of Article VIII (Signs) of the City of Zephyrhills Land Development Code as follows:

**Sec. 8.17.00. — Large-Format Industrial Building Signage**

**A. Purpose and Intent.** The purpose of this section is to establish sign standards for large-format industrial and/or logistics buildings whose scale and visibility differ from typical smaller-scale industrial or commercial development. These standards are intended to:

1. Allow signage that is proportionate to large building mass and scale;
2. Ensure high-quality design and compatibility with building architecture; and
3. Prevent excessive visual impacts on adjacent properties and public rights-of-way.

**B. Applicability.**

1. This section shall apply to all principal buildings: (a) located within the Light Industrial (LI) or Airport Development (AP2) zoning districts; and (b) containing 150,000 square feet or more of gross floor area.
2. For purposes of this section, a qualifying building shall be treated as a single establishment, regardless of the number of tenants or occupants.

### **C. Relationship to Other Sign Regulations.**

1. The standards of this section shall supersede the wall sign area, height, number, per-sign size, and frontage-based limitations set forth elsewhere in this Code, including Sec. 8.13.00(B) (maximum sign height and maximum sign structure area in non-residential districts) and Sec. 8.11.00(C)(2) (wall sign area and number limitations).
2. All other applicable provisions of this Code, including but not limited to illumination, maintenance, and prohibited sign types, shall remain in effect unless expressly modified herein.

### **D. Maximum Allowable Sign Area.**

1. Buildings meeting the applicability requirements may be permitted wall signage with a total cumulative area not to exceed 0.7 percent (0.007) of the building's gross floor area.

Formula: Maximum Total Sign Area (sq. ft.) = Gross Floor Area × 0.007

### **E. Number and Size of Signs.**

1. A maximum of three (3) wall signs per building shall be permitted.
2. No individual wall sign shall exceed 450 square feet in area.
3. Sign area shall be calculated in accordance with the applicable measurement of sign area provisions of this Code.
4. No wall sign shall extend above the roofline or parapet of the building to which it is attached, nor shall any wall sign project more than 12 inches from the building wall.

### **F. Distribution of Signage.**

1. The total allowable sign area may be distributed across multiple building elevations.
2. No single building elevation shall contain more than fifty percent (50%) of the total allowable sign area.
3. Wall signs shall be placed and designed so as not to create the appearance of a single larger sign or result in visual clutter.

### **G. Design Standards.**

1. All signage shall be architecturally integrated with the building and shall be compatible with the building's scale, materials, and design.
2. Signage shall not create visual clutter or adversely impact adjacent properties or public rights-of-way.
3. Preferred sign types include channel letters, halo-illuminated letters, or comparable high-quality designs.
4. Internally illuminated cabinet signs shall be prohibited unless approved as part of a Master Sign Plan submitted in accordance with subsection H of this section.

### **H. Master Sign Plan.**

A property owner or authorized agent may submit a Master Sign Plan for review and approval by the Site Plan Review Committee. The Master Sign Plan shall include the following:

- (a) A site plan showing the location, size, and elevation of each proposed sign on the building;
- (b) Specifications for materials, colors, and illumination type for each proposed sign;
- (c) A demonstration that the proposed signage is architecturally compatible with the building and will not adversely impact adjacent properties or public rights-of-way.

Approval of a Master Sign Plan shall not authorize signage that exceeds the maximum total sign area or number of signs permitted under this section. A Master Sign Plan may be amended by submitting a revised plan for approval in the same manner as the original.

**I. Illumination.**

All illuminated signage permitted under this section shall not produce more than one foot-candle of illumination four feet from the sign, as measured from the base of such sign. Exposed neon tubing shall not be permitted.

**SECTION 4. Repealer.**

Any and all ordinances in conflict herewith are hereby repealed to the extent of any conflict.

**Section 5. Severability.**

It is declared to be the intent of the City Council of the City of Zephyrhills, Florida, that if any section, subsection, sentence, clause, or provision of this ordinance is held invalid, the remainder of the ordinance shall be construed as not having continued the said section, subsection, sentence, clause, or provision and shall not be affected by such holding.

**Section 6. Inclusion into the Code.**

It is the intent of the City Council that the provisions of this Ordinance shall become and be made a part of the City of Zephyrhills Land Development Code, and that the sections of this Ordinance may be renumbered or re-lettered and the word "ordinance" may be changed to "section," "article," "regulation," or such other appropriate word or phrase in order to accomplish such intentions.

**Section 7. Effective Date.**

This Ordinance shall become effective upon passage on the second reading and signing by the Mayor.

The foregoing Ordinance No. 1525-26 was passed on the first reading in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 8<sup>th</sup> day of June, 2026.

Attest:

\_\_\_\_\_  
Ricardo Quinones, City Clerk

\_\_\_\_\_  
Steven F. Spina, Ph.D., Council President

The foregoing Ordinance No. 1525-26 was passed on the second reading, following a public hearing, in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 22<sup>nd</sup> day of June, 2026.

Attest:

\_\_\_\_\_  
Ricardo Quinones, City Clerk

\_\_\_\_\_  
Steven F. Spina, Ph.D., Council President

The foregoing Ordinance No. 1525-26 was approved by me this 22<sup>nd</sup> day of June, 2026.

\_\_\_\_\_  
Melonie Bahr Monson, Mayor

Approved as to legal form and legal content for the reliance  
of the City of Zephyrhills only:

\_\_\_\_\_  
Matthew E. Maggard, Esq.  
City Attorney

## **PLANNING DIRECTOR'S REPORT 5.1**

Update on Hotspots

**Issue:**

**Background:**

Staff will provide an update on priority roadway intersection improvement projects identified under the City's Hot Spots Program. The update will include the status of several key intersections. A project engineer from Kimley-Horn and Associates will be available to answer technical questions.

**Attachment(s):**

None

**Fiscal Impact:**

**Staff Recommendation:**

## **CITY MANAGER'S REPORT 6.1**

### Language Differential

#### **Issue:**

The City currently does not have a policy recognizing employees who possess foreign language proficiency. As the community continues to grow and diversify, establishing a language proficiency incentive will help meet multilingual service needs, enhance customer service, and recognize employees who utilize their language skills in the performance of their duties.

Section 29 – Foreign Language Proficiency Incentive; the policy authorizes a foreign language proficiency incentive of up to \$75.00 per month for eligible employees who meet the established proficiency requirements and satisfy all policy criteria.

#### **Background:**

The City is committed to providing accessible and effective customer service to all residents. Employees who are proficient in qualifying foreign languages can assist in improving communication with citizens.

Section 29 – Foreign Language Proficiency Incentive establishes eligibility requirements, proficiency standards, incentive compensation, and administrative procedures for employees who demonstrate approved foreign language proficiency and utilize those skills as part of their assigned responsibilities. The policy provides a structured framework to recognize employees whose language abilities support the City's operational needs and improve public service.

A citizen who comes in will have the ability to communicate with an employee who is available in the same language. This will allow our employees to receive an incentive that will help the city and the employees communicate their needs and provide better customer service.

#### **Attachment(s):**

1. RED BOOK NEW SECTION 29 - FOREIGN LANGUAGE PROFICIENCY INCENTIVE  
2026.06.08\_UPDATED

#### **Fiscal Impact:**

Funding for this initiative will be included in FY2025.

#### **Staff Recommendation:**

Staff recommends approval of Section 29 – Foreign Language Proficiency Incentive. The policy authorizes a foreign language proficiency incentive of up to \$75.00 per month for eligible

employees who meet the established proficiency requirements and satisfy all policy criteria.

## **SECTION 29**

### **FOREIGN LANGUAGE PROFICIENCY INCENTIVE**

#### **29.1 PURPOSE**

The purpose of this policy is to recognize and compensate employees whose foreign language proficiency enhances the City's ability to provide services to the community.

#### **29.2 QUALIFYING LANGUAGES**

The City Manager shall identify qualifying languages based on demonstrated service demands, demographic data, or documented operational needs. Employees may receive only one Foreign Language Proficiency Incentive regardless of the number of qualified languages in which they demonstrate proficiency.

#### **29.3 ELIGIBILITY**

An Employee may qualify for the Foreign Language Proficiency if:

- A. The employee demonstrates proficiency through an approved assessment in speaking, reading, and writing.
- B. The employee achieves the minimum proficiency level established by Human Resources.
- C. Be expected to utilize the qualifying language in the performance of assigned duties.
- D. The employee must be a full-time or part-time employee.

#### **29.4 INCENTIVE DISCONTINUATION**

The incentive may be suspended or discontinued:

- A. The employee fails required recertification.
- B. The employee no longer meets proficiency standards.
- C. The employee transfers to a position where language services are not operationally needed.
- D. The qualifying language is no longer identified as an operational need.
- E. The employee otherwise becomes ineligible under this policy.

**29.5 COMPENSATION**

The monthly incentive amount shall be a maximum of seventy-five dollars (\$75.00) per month.

**29.6 ADMINISTRATION**

The City Manager retains the authority to designate the incentive through the City's annual budget process.

## **CITY MANAGER'S REPORT 6.2**

### **Pasco County Parks Municipal Service Taxing Unit (MSTU) - Discussion**

#### **Issue:**

Pasco County has requested that municipalities interested in participating in the proposed Parks Municipal Service Taxing Unit (MSTU) take formal action through adoption of an ordinance prior to the Property Appraiser's deadline. Attached for your review are the County's draft ordinance for municipal inclusion in the Parks MSTU, along with supporting presentation materials and impact analysis.

#### **Background:**

Key Information from the County

#### **Law Enforcement MSTU**

- The County has advised that the proposed Law Enforcement MSTU is no longer being pursued following additional research and discussions with the Pasco County Sheriff's Office.

#### **Fire and Rescue MSTU**

- No municipal action is required for cities already participating in the existing Fire MSTU, including Dade City, Zephyrhills, San Antonio, and St. Leo.
- These municipalities will automatically be included in the rescue component as part of the existing MSTU structure.
- Municipalities not currently included in the Fire MSTU, such as New Port Richey and Port Richey, cannot be added solely to the rescue portion because rescue services are part of the larger Fire MSTU framework.
- Additional discussions would be required to determine how those municipalities would contribute toward rescue service costs.

#### **Parks MSTU**

- Municipal participation requires adoption of the attached ordinance.
- The County has requested that participating municipalities present the ordinance at their next available council meeting to meet statutory and administrative deadlines.

**Attachment(s):**

1. Zephyrhills - Potential City Ordinance Consenting to Parks MSTU
2. MSTUs Impact to Municipalities
3. County MSTU Updates
4. Pasco County Email

**Fiscal Impact:**

The attached "MSTU's Impact to Municipalities" report provides estimated fiscal impacts associated with participation.

The County notes the following regarding the estimates:

- The millage rate ranges presented are dependent upon the number of participating municipalities.
- The lower end of the range assumes all eligible municipalities participate.
- The higher end of the range assumes no municipalities participate.
- Parks Scenario 1 and Parks Scenario 2 differ primarily in the amount of funding available for future capital projects.
- Under either scenario, the County recommends a corresponding reduction in municipal expenditures for services that would be funded through the MSTU.
- All estimates remain subject to change based on final taxable values, the number of participating municipalities, and future County Commission decisions.

**Staff Recommendation:**

Council will review the attached draft ordinance and supporting materials and provide direction regarding participation in the Parks MSTU.

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE BY THE CITY OF ZEPHYRHILLS, FLORIDA, ADOPTED PURSUANT TO SECTION 125.01(1)(q), FLORIDA STATUTES, CONSENTING TO THE INCLUSION OF THE CITY OF ZEPHYRHILLS, FLORIDA, WITHIN THE COUNTY-WIDE PARKS, RECREATION, AND NATURAL RESOURCES MUNICIPAL SERVICE TAXING UNIT, AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF PASCO COUNTY, FLORIDA, AND THEREAFTER AMENDED; PROVIDING FOR THE CITY TO BE INCLUDED WITHIN SAID MUNICIPAL SERVICE TAXING UNIT FOR A SPECIFIED TERM OF YEARS; PROVIDING FOR SEVERABILITY, AND EFFECTIVE DATE.**

**WHEREAS**, on June 4, 2024, the Pasco County Board of County Commissioners adopted Pasco County Ordinance No. 24-26, creating the Parks, Recreation, and Natural Resources Municipal Service Taxing Unit (“Parks MSTU”); and

**WHEREAS**, on May 6, 2025, the Pasco County Board of County Commissioners adopted an amendment to the Parks MSTU with Ordinance No. 25-27, to clarify that revenues from the Parks MSTU shall be used for the provision of all the Parks, Recreation and Natural Resources Department’s operations, programs, and functions; and

**WHEREAS**, Section 125.01(1)(q), Florida Statutes, provides that the boundaries of a municipal service taxing unit may include all or part of the boundaries of a municipality if the affected municipal consents, by ordinance, to be included therein; and,

**WHEREAS**, the City Council of the City of Zephyrhills has determined that the inclusion of the incorporated area of the City of Zephyrhills, Florida, within the Parks MSTU is in the best interest of the citizens and the owners of property within the boundaries of the City of Zephyrhills; and

**WHEREAS**, the County expressed its intent to include the City of Zephyrhills within the boundaries of the Parks MSTU subject to the adoption of an approving ordinance by the City Council of the City of Zephyrhills;

**NOW THEREFORE, BE IT ENACTED AND ORDAINED** by the City Council of the City of Zephyrhills, Florida, as follows:

**SECTION 1. Whereas Clauses.** The above Whereas clauses are hereby adopted and incorporated herein.

**SECTION 2. Intent, Purpose and Consent.** It is the intent, purpose and effect of this Ordinance to comply with the provisions of Section 125.01(1)(q), Florida Statutes. The City Council of the City of Zephyrhills hereby requests and consents to the inclusion of all of the incorporated area of the City of Zephyrhills, as may be amended from time to time, within the Parks MSTU, which was established pursuant to enabling legislation adopted by the Board of

County Commissioners of Pasco County. The purpose of the enactment of this Ordinance is for the City to be included in the Parks MSTU in order to enable the County to fund and provide park facilities that will serve the residents of the City. The City Council finds that the provision of parks facilities has an essential municipal purpose.

**SECTION 3. Duration and Annual Renewal; Procedure for Withdrawal of Consent.**

Request and consent of the City Council of the City of Zephyrhills to be included in the Parks MSTU is given to the County by this Ordinance for a term of ten (10) years, and shall be implemented effective December 31, 2026, for Tax Year 2027, and shall continue for a term of ten (10) years through December 31, 2036, and shall be automatically renewed for each succeeding fiscal year, unless such request and consent is substantially withdrawn as provided herein. The City of Zephyrhills may only withdraw such consent for any subsequent fiscal year by adopting an ordinance which revokes its consent and providing a certified copy of such ordinance to the County Administrator prior to May 1st proceeding the fiscal year for which the consent is being withdrawn.

**SECTION 4. Severability.** The provisions of this Ordinance are severable and if any section, subsection, sentence, clause, phrase, or portion of this Ordinance, or application hereof is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

**SECTION 5. Conflicts.** All ordinances and parts of ordinances and all resolutions and parts of resolutions in conflict herewith, are hereby repealed.

**SECTION 6. Effective Date.** This Ordinance shall take effect immediately upon final adoption by the City Council of the City of Zephyrhills, Florida.

The foregoing Ordinance No. \_\_\_\_\_ was read and passed on the first reading in regular session with a quorum present and voting on this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

### MSTUs Impact to Municipalities - 2026-05-25

Municipality	Current Millage	Current Fire and Rescue MSTU	Fire and Rescue MSTU Proposed Millage/ \$ Increase	Parks MSTU - Scenario 1	Total MSTUs	Current Millage + MSTUs	Proposed Net Millage Impact to City Taxpayers
Dade City <sup>1</sup>	6.6208	2.1225	0.2751 - 0.3518	0.4686 - 0.5048	2.8662 - 2.9791	9.487 - 9.5999	0.0000
New Port Richey	8.2000	0.0000	\$ 326,838	0.4686 - 0.5048	0.4686 - 0.5048	8.6686 - 8.7048	0.0000
Port Richey	6.2900	0.0000	\$ 138,037	0.4686 - 0.5048	0.4686 - 0.5048	6.7586 - 6.7948	0.0000
San Antonio <sup>1</sup>	3.5777	2.1225	0.2751 - 0.3518	0.4686 - 0.5048	2.8662 - 2.9791	6.4439 - 6.5568	0.0000
St. Leo <sup>1</sup>	0.8665	2.1225	0.2751 - 0.3518	0.4686 - 0.5048	2.8662 - 2.9791	3.7327 - 3.8456	0.0000
Zephyrhills <sup>1</sup>	6.2500	2.1225	0.2751 - 0.3518	0.4686 - 0.5048	2.8662 - 2.9791	9.1162 - 9.2291	0.0000

Municipality	Current Millage	Current Fire and Rescue MSTU	Fire and Rescue MSTU Proposed Millage/ \$ Increase	Parks MSTU - Scenario 2	Total MSTUs	Current Millage + MSTUs	Proposed Net Millage Impact to City Taxpayers
Dade City <sup>1</sup>	6.6208	2.1225	0.2751 - 0.3518	0.5558 - 0.5988	2.9534 - 3.0731	9.5742 - 9.6939	0.0000
New Port Richey	8.2000	0.0000	\$ 326,838	0.5558 - 0.5988	0.5558 - 0.5988	8.7558 - 8.7988	0.0000
Port Richey	6.2900	0.0000	\$ 138,037	0.5558 - 0.5988	0.5558 - 0.5988	6.8458 - 6.8888	0.0000
San Antonio <sup>1</sup>	3.5777	2.1225	0.2751 - 0.3518	0.5558 - 0.5988	2.9534 - 3.0731	6.5311 - 6.6508	0.0000
St. Leo <sup>1</sup>	0.8665	2.1225	0.2751 - 0.3518	0.5558 - 0.5988	2.9534 - 3.0731	3.8199 - 3.9396	0.0000
Zephyrhills <sup>1</sup>	6.2500	2.1225	0.2751 - 0.3518	0.5558 - 0.5988	2.9534 - 3.0731	9.2034 - 9.3231	0.0000

<sup>1</sup> Currently included in the Fire and Rescue MSTU



OPEN SPACES. *VIBRANT PLACES.*

# Pasco County MSTU Updates for Municipalities

May 2026

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# Law Enforcement MSTU

- **Background:** In November, the County adopted an ordinance establishing a Law Enforcement MSTU for greater transparency and ease of budgeting.
  - *Not a tax increase*, just realigning the Sheriff's budget in a like for like amount from the General Operating Millage into its own MSTU.
  
- **Update:** After further research and collaboration with the Sheriff, the County repealed the ordinance on 05/19 and is no longer pursuing this.
  - Not feasible due to mill cap constraints outlined in the Florida Constitution.
  
- **Municipal Action Requested:** None.

# Adding EMS (Rescue) to Existing Fire MSTU

- **Background:** The County currently provides Emergency Medical Services (EMS) for all municipalities, and City residents contribute to its funding through the County's General Operating Millage. In November, the County updated its Fire MSTU ordinance to include EMS funding moving forward.
- **Update:** The County is realigning its EMS budget into its existing Fire MSTU for greater transparency and ease of budgeting.
  - *Not a tax increase*, just realigning the EMS budget in a like for like amount from the General Operating Millage into the Fire MSTU.
- **Municipal Action Requested:** No action required if your City is already included in the County's Fire MSTU. If your City is *not* currently part of the County's Fire MSTU, further discussions with the County on contributing to EMS funding is needed.

# Parks, Recreation, and Natural Resources MSTU

- **Background:** The County currently provides parks, recreation, and natural resources programming to all residents – incorporated and unincorporated – and is funded through the County’s General Operating Millage.
- **Update:** The County is seeking to realign its Parks budget into its own MSTU for greater transparency and to address long-term capital demands.
  - *Not a tax increase*, proposing a like for like realignment from the General Operating Millage into the Parks, Recreation, and Natural Resources MSTU.
- **Municipal Action Requested:** Enter into an agreement with the County to be included in the Parks, Recreation, and Natural Resources MSTU.
  - If an agreement cannot be reached, the County would be providing City residents with parks, recreation, and natural resources programming only unincorporated residents pay for. Further discussions regarding services we partner on would be needed.

## William Poe

---

**From:** Connor Donovan <cdonovan@pascocountyfl.net>  
**Sent:** Monday, June 1, 2026 9:34 PM  
**To:** William Poe  
**Cc:** Mike J. Carballa; Molly Sorensen  
**Subject:** RE: County MSTU Follow-up - Zephyrhills  
**Attachments:** Zephyrhills - Potential City Ordinance Consenting to Parks MSTU.docx; MSTUs Impact to Municipalities.pdf; County MSTU Updates.pptx

### **EXTERNAL EMAIL**

Good evening Billy,

Thank you for your City's continued collaboration and consideration of our MSTUs over the past few months.

Please see the attached drafted ordinance for your City to formally be included in our Parks MSTU. We have a tight timeframe to meet the Property Appraiser's deadline regarding City inclusion – **if your board would like to be included in our Parks MSTU please bring this drafted ordinance to your next board meeting for consideration.**

For background and final board awareness, please see the attached PDF and PPT. Below are a few notes on frequently asked questions:

- Friendly reminder that the Law Enforcement MSTU is no longer being pursued after further research and collaboration with the Sheriff.
- There is *not* a draft ordinance for the Fire and Rescue MSTU because no action is required from participating cities. If your City is included in the current version of the Fire MSTU (Dade City, Zephyrhills, San Antonio, St. Leo) no further action is needed to be included in the rescue piece. If your City is *not* included in the current version of the Fire MSTU (NPR, Port Richey), we cannot include you in just the rescue piece because it is part of a larger MSTU – further discussions on how to cover your share of rescue expenses is needed (and the attached PDF includes an estimated contribution).
- For the attached 'MSTUs Impact to Municipalities' PDF:
  - The ranges can seem confusing initially – but the ranges are just to account for how many cities participate. The minimum millage would apply if all cities participated, and the maximum millage would apply if no cities participated.
  - The difference between Parks Scenario 1 and Parks Scenario 2 is just that Scenario 2 would provide the department with more funding for capital projects. Regardless, a like for like reduction is recommended.
  - Please note these are *estimates* subject to change based on taxable values, participating cities, and County Commission direction.

Please let me know if you or your attorney have any questions on the drafted ordinance and thank you very much for working with us through the urgency. Likewise, if you'd like to provide me with your budget

team's contact information we'd be happy to connect them with our budget team to walkthrough any details on the numbers.

Thank you,



**Connor Donovan**  
Chief of Staff  
County Administration  
Pasco County  
P 727-847-8115 Ext. 7589  
8731 Citizens Drive, Suite 350  
New Port Richey, FL 34654  
[cdonovan@mypasco.net](mailto:cdonovan@mypasco.net)

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**From:** William Poe <WPoe@zephyrhills.gov>  
**Sent:** Tuesday, May 19, 2026 4:25 PM  
**To:** Connor Donovan <cdonovan@pascocountyfl.net>  
**Subject:** RE: County MSTU Follow-up - Zephyrhills

Thank you. I will look at the PPT and also share with council.

Billy



**William Poe**  
**City Manager**  
City of Zephyrhills  
5335 8th Street  
Zephyrhills, FL 33542  
**PH:** 813-780-0000 Ext. 3501  
**FAX:**  
[www.zephyrhills.gov](http://www.zephyrhills.gov)



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**From:** Connor Donovan <cdonovan@pascocountyfl.net>  
**Sent:** Tuesday, May 19, 2026 3:52 PM  
**To:** William Poe <WPoe@zephyrhills.gov>  
**Cc:** Mike J. Carballa <mcarballa@pascocountyfl.net>; Molly Sorensen <msorensen@pascocountyfl.net>  
**Subject:** RE: County MSTU Follow-up - Zephyrhills

**EXTERNAL EMAIL**

Thanks Billy,

I understand the City's concern and appreciate your consideration.

We had a couple municipalities ask for educational material that they could share with their elected officials – and whatever I provide to one City I'd like to provide to all – so please see the attached PPT slides that may help discussions with your elected officials.

We are working with our County Attorney's Office to help draft language for your board to formally consider participation in the MSTUs. I hope to have an update for you within the next week. Please don't hesitate to reach out with any questions.

Thanks again!



**Connor Donovan**

Acting Chief of Staff  
County Administration  
Pasco County  
P 727-847-8115 Ext. 7589  
8731 Citizens Drive, Suite 350  
New Port Richey, FL 34654  
[cdonovan@mypasco.net](mailto:cdonovan@mypasco.net)  
[mypas.co/BetterFuture](http://mypas.co/BetterFuture)

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**From:** William Poe <[WPoe@zephyrhills.gov](mailto:WPoe@zephyrhills.gov)>  
**Sent:** Monday, May 11, 2026 2:38 PM  
**To:** Connor Donovan <[cdonovan@pascocountyfl.net](mailto:cdonovan@pascocountyfl.net)>  
**Subject:** RE: County MSTU Follow-up - Zephyrhills

Connor,

The major concern is that the proposed MSTU's are a hit to the city's millage cap. Once we get to 10 mills, we can no longer increase, if needed. With the proposed .3844 additional for Fire and Rescue plus the .4738 for Parks, the total mills for Zephyrhills will be 9.2307. This does not leave much room for the city to adjust upward if/when needed.

Billy



**William Poe**  
**City Manager**  
 City of Zephyrhills  
 5335 8th Street  
 Zephyrhills, FL 33542  
**PH:** 813-780-0000 Ext. 3501  
**FAX:**  
[www.zephyrhills.gov](http://www.zephyrhills.gov)



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**From:** Connor Donovan <[cdonovan@pascocountyfl.net](mailto:cdonovan@pascocountyfl.net)>  
**Sent:** Tuesday, May 5, 2026 10:03 AM  
**To:** William Poe <[WPoe@zephyrhills.gov](mailto:WPoe@zephyrhills.gov)>  
**Subject:** RE: County MSTU Follow-up - Zephyrhills

**EXTERNAL EMAIL**

Good morning Billy,

Just following up on the below email regarding how MSTU conversations went with your board.

Thanks!



**Connor Donovan**  
 Acting Chief of Staff  
 County Administration  
 Pasco County  
 P 727-847-8115 Ext. 7589  
 8731 Citizens Drive, Suite 350  
 New Port Richey, FL 34654  
[cdonovan@mypasco.net](mailto:cdonovan@mypasco.net)  
[mypas.co/BetterFuture](http://mypas.co/BetterFuture)

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**From:** Connor Donovan  
**Sent:** Tuesday, April 28, 2026 4:27 PM  
**To:** [wpoe@zephyrhills.gov](mailto:wpoe@zephyrhills.gov)  
**Subject:** County MSTU Follow-up - Zephyrhills

Good afternoon Billy,

Thank you again for meeting with us last month to discuss County MSTUs. At our meeting, we focused on three MSTU updates (subject to change as we learn more about taxable values and board priorities):

- Law Enforcement MSTU – no longer moving forward due to its significant impact on municipal 10-mill caps.
- Fire and Rescue MSTU – moving our Rescue expenses from our general operating millage into our Fire MSTU.
- Parks MSTU – moving our PRNR expenses from our general operating millage into their own MSTU.

As budget season progresses we are researching the next steps to formally partner on our Rescue and Parks MSTU changes.

I'm reaching out to get an update on how conversations with your elected officials went. What were their thoughts or questions or concerns on the MSTU updates? Do you see any issues with our partnership on these moving forward?

Thank you for any guidance you can offer!



**Connor Donovan**

Acting Chief of Staff  
County Administration  
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P 727-847-8115 Ext. 7589  
8731 Citizens Drive, Suite 350  
New Port Richey, FL 34654  
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[mypas.co/BetterFuture](http://mypas.co/BetterFuture)

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CUSA18A7

## **CITY MANAGER'S REPORT 6.3**

Residential Moratorium - Discussion

**Issue:**

Staff to discuss the possible extension of the residential moratorium.

**Background:**

**Attachment(s):**

None

**Fiscal Impact:**

**Staff Recommendation:**

## **NOTED ITEMS 7.1**

C.W. Roberts Deductive Change Order - Runway 1-19

**Issue:**

**Background:**

**Attachment(s):**

1. C.W. Roberts Change Order No. 2

**Fiscal Impact:**

**Staff Recommendation:**

**ZEPHYRHILLS/ENGINEERING/PROJECT MANAGEMENT**  
**CONTRACT CHANGE ORDER**

**PROJECT TITLE: Runway 1-19 Rehabilitation**

**CHANGE ORDER NO: 2**

**TO CONTRACTOR: C.W. Roberts Contracting, Inc.**

**INITIATION DATE: 05/21/2026**  
**CONTRACT DATE: 06/26/2023**

The Contract is changed as follows:

The original Contract Sum .....\$3,541,108.60  
 Net change by previously authorized Change Order .....\$80,131.60  
 The Contract Sum prior to this Change order was.....\$3,621,240.20  
 The Contract Sum is (decreased) by this Change Order 2.....(\$40,801.68)  
 The Revised Contract Sum including this Change Order .....\$3,580,438.52

Change Order No. 2 includes the following work items:

Based on field conditions, the Contractor was able to complete the work without the need for an RFI or the associated adjustments to quantities and unit pricing. Accordingly, this Change Order reverses Item 33, which was previously executed under Change Order No. 1.

However, an additional cost has been incurred for Item 33 to modify the existing adjustable base cans to support paving operations. A summary of the related quantities and costs is provided in the table below for clarity.

Overall, this Change Order results in a net deduction.

This work equates to a decrease of (\$40,801.68).

Item	Description	Qty	Unit	Unit Price	Total
33	Revised Price per RFI: L-850C(L) Fixture on new base per detail	-24	EA	\$6,036.49	\$ (144,875.76)
33	L-850C(L) LED in Pvmnt RWEL on Exist Adj Base Can Mill and Overlay	24	EA	\$3,786.42	\$ 90,874.08
33	Modifications to adjustable base cans for line Item 33	24	EA	\$ 550.00	\$ 13,200.00
					\$ (40,801.68)

**Net change to contract Change Order 2: (\$40,801.68)**

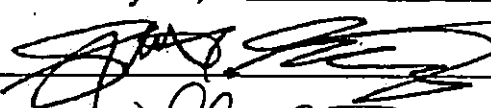
This Change Order 2 does not increase contract time.


Contractor agrees to accept the decrease in monetary compensation and hereby waives and releases any and all claims for any additional compensation related to these bid items.

This Change Order 2 represents 1.1522 % of the original contract price.

**Not valid until approved by Owner, Architect (if applicable), and Contractor**

ARCHITECT/ENGINEER Robert B. Aydin, P.E. Digitally signed by Robert B. Aydin, P.E.  
 DN: cn=Robert B. Aydin, P.E., c=US  
 Date: 2026.06.01 15:47:12 -0400 \_\_\_\_\_ Date \_\_\_\_\_

CONTRACTOR  \_\_\_\_\_ Date 06/10/2026

AIRPORTS DIRECTOR  \_\_\_\_\_ Date 6/2/2026

COUNTY/ASSISTANT ADMINISTRATOR \_\_\_\_\_ Date \_\_\_\_\_