



CLEARWATER DOWNTOWN DEVELOPMENT BOARD

August 3, 2016 – 5:30 PM - City Hall – 3rd Floor Council Chambers

AGENDA

1. Call to Order
2. Citizen Comments – Items Not on the Agenda
3. Approve the Minutes from the July 13, 2016 Regular Monthly Meeting
4. Adopt June 2016 Financial Statement for Filing
5. Adopt Resolution 02-16 and the City of Clearwater, FL Investment Policy Per Florida Statute Requirement – Monica Mitchell, City of Clearwater Finance Department Assistant Director
6. Approve CRA/DDB FY 2016-2017 Interlocal Agreement – Seth Taylor, Community Redevelopment Agency (CRA) Director
7. Adopt Aggregate Millage Rate of 0.9651 mil for FY 2016-2017 and set public hearing dates on the budget for September 7, 2016 and September 19, 2016 – Anne Fogarty France, Downtown Manager
8. Finalize and Adopt FY 2016-2017 DDB Budget – Chairman Paris Morfopoulos
9. Chairman's Report
10. Final Comments
11. Adjournment

ITEM 3

CLEARWATER DOWNTOWN DEVELOPMENT BOARD MEETING July 13, 2016 – 5:30 PM – City Hall – Council Chambers

Members Present:	Paris Morfopoulos Dennis Bosi Chelsea Allison Zachary Thorn Tony Starova Stu Sjouwerman	Chairman Vice-Chairman (Arrived at 5:33) Member (Arrived at 5:38) Member Member Member
Also Present:	Bill Jonson Doreen Caudell Anne Fogarty France Denise Sanderson	Ex-Officio/Councilmember Ex-Officio/Councilmember Board Administrator Director, Economic Development & Housing Department
Absent:	Thomas Wright	Member

1. Chairman Morfopoulos called the meeting to order at 5:30 p.m. asking the board and Ex Officio members to introduce themselves.
2. Introduction of Seth Taylor, new Community Redevelopment Agency (CRA) Executive Director
Chairman Morfopoulos introduced Seth Taylor as the new CRA Executive Director and welcomed him.
3. Adopt Resolution 01-16 and present to Clearwater Police Chief Daniel Slaughter.

Chairman Morfopoulos read Resolution 01-16 thanking the Clearwater Police Department for all it does for the citizens.

Member Sjouwerman moved to adopt Resolution 01-16. The motion was duly seconded and upon roll call, the vote was:

“Ayes”: Member Morfopoulos, Member Bosi, Member Allison, Member Thorn, Member Starova, and Member Sjouwerman.

“Nays”: None.

Chairman Morfopoulos presented a plaque to Police Chief Daniel Slaughter.

4. Citizens Comments--Items not on the agenda—No comments.
5. Approve the Minutes from the June 8, 2016, Meeting

Member Bosi moved to approve the minutes from the June 8, 2016, meeting. The motion was duly seconded and upon roll call, the vote was:

“Ayes”: Member Morfopoulos, Member Bosi, Member Allison, Member Thorn, Member Starova, and Member Sjouwerman.

“Nays”: None.

Motion carried.

6. Adopt May 2016 Financial Statement for Filing

Member Sjouwerman moved to adopt the May 2016 Financial Statement for filing. The motion was duly seconded and upon roll call, the vote was:

“Ayes”: **Member Morfopoulos, Member Bosi, Member Allison, Member Thorn, Member Starova, and Member Sjouwerman.**

“Nays”: **None.**

Motion carried.

7. Budget Discussion

- a. Certification Taxable Value from Property Appraiser—Denise Sanderson, Director of Economic Development and Housing Department presented the Board with the certified property taxable value from the Pinellas County Property Appraiser. The preliminary amount was a 4.77% increase and this increased to 5.5%. City-wide, the percentage decreased from 7.64% to 7.61%.
- b. Funding Requests/Programs & Events—
 - 1) Bright House Clearwater Super Boat National Championship Festival—Brian Aungst Sr. and Frank Chivas addressed the Board on the request for funding for the Super Boat National Championship Festival. They presented members with Dr. Klages' economic impact statement and discussed components of the event. They advised the Board that they are open to any suggestions.
 - 2) Pierce Street Market Post Event Report and Request for Funding—Natalie Nagengast presented information to the Board regarding the first season and discussed funding for the Pierce Street Market's next season. She said the market has been positively received and the City has been very cooperative. This year they are looking at adding car trunk sales and food trucks. They do plan to advertise more and increase the market's media presence. Members asked how the market could connect to Cleveland Street and Ms. Nagengast replied that the market was growing and would be working its way up Cleveland Street.
 - 3) Jolley Trolley North Coastal Loop—Debbie Leous of PSTA advised the Board that PSTA is requesting \$13,520 next fiscal year, an increase over this year's funding. The Jolley Trolley will run from Tarpon Springs to the Beach with an increase to seven-day service. The increase in the contribution from \$9,220 is the funds that were contributed by the City. The City is now requesting that the DDB absorb these costs. Rosemary Windsor of the Jolley Trolley also addressed the board. Members asked how the trolley/ferry partnership worked during the recent trial and were advised him that trolley ridership was not strong and they need to look at ways to promote it better to make it work.

- 4) 8th Annual Achieva Credit Union Box Car Rally—Chelsey Wilson addressed the Board concerning her request for funding for the Achieva Credit Union Box Car Rally. This year's focus will include the Cleveland Street District. They have a very strong social media presence and are starting to receive greater recognition. The Hard Rock Café has gotten involved this year as a sponsor. The rally benefits Pinellas County Schools in the form of classroom grants. Members commented that this was a great event for downtown.
- 5) City of Clearwater—Post Event Report/Clearwater Celebrates America and Funding Request for the 2017 Clearwater Sea Blues Festival, Clearwater Fun 'n Sun Festival & Clearwater Celebrates America—Kris Koch gave the post event report for Clearwater Celebrates America. He provided the Board members with data outlined their response to DDB requests for an event banner and placing of event parking signs throughout the district.

Craig Campbell then addressed the Board concerning the request for funding for the 2017 Sea Blues Festival, the Fun 'n Sun Festival, and Clearwater Celebrates America. He noted that they have been handling these events for ten years and that Cleveland Street will be the focus for these events. There is a \$5,000 increase in the funding request because they are in the process of developing a fourth event that will take place during the Fun 'n Sun Festival. There are several ideas being considered that will drive people downtown, specifically to Station Square Park.

Members complimented Mr. Koch and Mr. Campbell's professionalism and noted their work with the merchants and added that they were a good example of how an event should be handled.

Member Starova asked if any of the event organizers can advertise with banners on the light poles and asked about the possibility of bringing the parade back. Ms. Sanderson stated that staff will look into these items and will bring back recommendations and costs.

- 6) Clearwater Jazz Walk—Gary Hallas addressed the Board regarding the Clearwater Jazz Walk on the night before the Jazz Holiday Festival begins. He stated that they were looking to extend the brand with the Jazz Walk on October 12. This will involve live music on the street and in downtown merchant locations from 6 to 9 p.m. He noted that the DDB branding will be on all the media material. Members requested that they include a bar crawl with the jazz walk.
- 7) Festival Series including Blast Fridays, Miracle on Cleveland Street & Cruisin' at the Capitol—
Bobby Rossi addressed the Board regarding the Blast Fridays, Miracle on Cleveland Street and Cruisin' events. He said the events have been well-received. They did take some of the suggestions from the Board and implement them, including more food trucks and three stages or music from start to finish. They have had giveaways, bingo in the Capitol Theatre for the early birds and felt that attendance was on par with where they

needed to be. They are looking into the stage placement for next year and had additional sponsorships this year.

Zev Buffman stated there is an army of individuals working to make downtown something special and thanked everyone for their help.

Ex-Officio Councilmember Jonson commented that he liked the Festival Series theme and asked about the comment regarding three stages.

Mr. Rossi said he was referring to their being three bands; one at the beginning, an opening act and then the headliner with music taking place from 5:30 to 10 p.m. A dual stage was being investigated but this would result in additional costs such as police and road closures.

- 8) Cleveland Street Business Alliance (CSBA)—Three Events; Taste of Downtown, Downtown Funk & Little Miss Miracle Pageant—Steve Caspar, Cleveland Street Business Alliance addressed the Board regarding the CSBA events. On October 28 the Downtown Funk event will be held and included a costume contest, a pumpkin carving contest and possibly a movie at the Capitol Theatre. On November 26 they will hold the Taste of Downtown where individuals can purchase a wristband which will allow them entry into restaurants on Cleveland Street. The Little Miss Miracle Pageant on December 3 is held in conjunction with the Miracle on Cleveland Street and would be held at Station Square Park.

Ex-officio Councilmember Jonson stated that the request for the Little Miss Miracle Pageant was \$2,500. He suggested this money might be better spent if they planned this for another weekend rather than run it in conjunction with Miracle on Cleveland Street. Member Starova, as CSBA Chairman, advised that this will be held in the 600 block of Cleveland Street which is not included in the Miracle on Cleveland Street. Ex-officio Councilmember Jonson said we need to be sure that the 600 block gets included in these events. Anne Fogarty France stated that last year a portion of the 600 block was used for pictures with Santa.

Santa and Suds Run/Walk & Street Party—Nanette Friend and David Mbiad addressed the Board regarding the request for funding for the Santa and Suds Run/Walk. Last year was the first year the Deaf Literacy Center handled this event. They had a short amount of time to promote it but still had about 900 participants. They stated that this year should be more successful since they have more lead time. This event benefits the hearing impaired. They hope to double the participation this year.

Ms. Fogarty France advised the board that the application says Coachman Park but Ms. Rodriguez advised her that the event will stay on Cleveland Street. The organization requested \$4,000 on the application not \$5,000 as just stated.

There has been some discussion about changing the name because the “suds” is associated with beer and last year it limited the places they could advertise the event. Ex-Officio Councilmember Caudell suggested they should keep the name and make it

bubbles instead of beer. The banner should reference the hearing impaired. When asked if there were other sponsors. Mr. Mbiad said they have a couple but plan to hit all the businesses downtown. They do hire a race coordinator whose cost is included in the funding request.

Chairman Morfopoulos said the Board will review all the requests and make a decision on the funding at the next meeting.

Bob Clifford from the Jolley Trolley asked the Board if he could clarify an earlier statement. He stated that the Jolley Trolley route that was proposed is not an express route. It will continue to stop as it does now. The increase in the amount requested is the amount that the City used to pay that it is now asking the DDB to absorb.

8. Set Minimum Reserves for FY 2016-17—Chairman Morfopoulos stated that the Board discussed establishing a minimum reserve for FY 2016-17. At the April meeting, the Board adopted a policy to review this every year during the budget process. Staff's recommended formula is derived from 25% of the total of the fixed payments and staff and office administration fees with the added language of "but in no event less than \$70,000." Discussion ensued and the Chairman noted that using this formula for fixed payment and staff and administration items in the FY 2016-17 budget would amount to \$68,985. Staff is recommending setting the minimum reserves at \$70,000 for FY 2016-17.

Staff was asked to determine a way to report the actual amount of reserves each month and staff agreed to research.

Member Thorn moved to accept staff's recommendation and set the minimum reserves at \$70,000 for FY 16-17. The motion was duly seconded and upon roll call, the vote was:

"Ayes": Member Morfopoulos, Member Bosi, Member Allison, Member Thorn, Member Starova, and Member Sjouwerman.

"Nays": None.

Motion carried.

9. Appoint Nominating Committee for October 11, 2016 Election—Anne Fogarty France

Anne Fogarty France, Downtown Manager, advised the Board that a nominating committee needs to be appointed for the October 11, 2016, election. The terms of Members Morfopoulos, Sjouwerman and Starova are ending. The nomination committee usually consists of the members whose terms are not expiring which would be Members Allison, Bosi, Wright, and Thorn. Nominees must live, work, or own property in Downtown Clearwater. Staff will release the election timetable soon.

Chairman Morfopoulos moved to appoint the nominating committee consisting of Members Allison, Bosi, Wright, and Thorn. The motion was duly seconded and upon roll call, the vote was:

"Ayes": Member Morfopoulos, Member Bosi, Member Allison, Member Thorn, Member Starova, and Member Sjouwerman.

“Nays”: None.

Motion carried.

10. Chairman’s Report

Chairman Morfopoulos advised the Board of upcoming events.

11. Final Comments

Member Thorn welcomed Seth Taylor. He congratulated Tony Starova on his restaurant remodel.

Member Bosi stated he was encouraged by the involvement of the downtown merchants and feels that the work over the past years is paying off.

Member Starova stated that his illegal sign is featured in the Pokémon Go game. He also welcomed Seth Taylor.

Member Sjouwerman said the Board still needs a list serve for announcements and that there is a now a line item in next year's budget for this. He also feels the branding for downtown should be Downtown Clearwater not Cleveland Street District. Member Sjouwerman welcomed Seth Taylor.

Member Allison stated she is happy to see the longevity of some of the events being held in downtown. She said it is nice to see the merchants getting involved.

Ex-Officio Councilmember Jonson agreed with Member Sjouwerman regarding the rebranding. He said he was impressed with the events presented tonight. He said we need to schedule a discussion about the gateway monuments and work on promoting the Pinellas Trail. He was happy to see the goals posted on the website but also would like to see the strategies posted there. He thanked Ms. Fogarty France for getting the downtown garage utility boxes painted. Ms. Fogarty France advised that Building and Maintenance department staff were responsible for this work.

Ex-Officio Councilmember Caudell welcomed Seth Taylor. She advised the Board that at the MPO/PCC meeting, staff presented planned zoning changes to the North Marina Area and these proposed changes were approved.

Chairman Morfopoulos thanked Anne Fogarty France for all the work she does behind the scenes.

12. The meeting was adjourned at 7:50 p.m.

ITEM 4

A	B	C	D	E	F	G	I
1	Downtown Development Board Statement of Revenues & Expenditures For the Period June 1 thru June 30, 2016					7/26/16 1:23 PM	
7		Budget	June		Year to Date	Difference	
8	Income						
10	Ad Valorem (Property) Taxes	251,056	8,648	247,743	(3,313)		
11	Ad Valorem Taxes Prior Yr	100		46	(54)		
12	Interest Income	500	477	876	376		
13	CRA Interlocal Agreement Rev	173,273		173,218	(55)		
14	Misc Revenue	500		2,877	2,377		
15	Total Income	425,429	9,124	424,761	(668)		
17	Expenditures						
19	Promoting District						
20	Funding Advertising - Mall/BVIC	1,345		1,345	0		
21	Banner Installation & Maintenance	600		680	(80)		
22	Downtown Streetscape Maintenance	3,200			3,200		
23	Boatslip Construction & Maint	50,000		50,000	0		
24	Holiday Lighting	14,500		14,277	223		
25	Total Promoting District	69,645	0	66,302	3,343		
27	Promoting Merchants						
28	Graphic Design and Printing	3,000	828	1,270	1,730		
29	Advertising	3,000			3,000		
30	Jolley Trolley Downtown Loop	9,220		6,915	2,305		
31	Total Promoting Merchants	15,220	828	8,185	7,035		
33	Promoting Events						
34	Pierce Street Market	15,000		15,000	0		
35	Clw Corner Art - "Thinking Outside the Box"	5,450		5,450	0		
36	6th Annual Achieva Box Car Rally	1,000			1,000		
37	Art in the Park	4,800		4,800	0		
38	Clw Superboat National Championship	10,000			10,000		
39	City/Clw Celebrates America	2,500	2,500	2,500	0		
40	City/Fun n' Sun Festival	2,500		2,500	0		
41	City/Sea Blues Festival	7,500		7,500	0		
42	Miracle on Cleveland St @ Cap/Blast Friday	25,000		25,000	0		
43	Clearwater Jazz Festival Jazz Walk	5,000		5,000	0		
44	Santa & Suds Race/Walk for ASL & Deaf	3,500		3,500	0		
45	Total Promoting Events	82,250	2,500	71,250	11,000		
47	Unallocated Funds	33			33		
48							

A	B	C	D	E	F	G	I
1	Downtown Development Board Statement of Revenues & Expenditures For the Period June 1 thru June 30, 2016						7/26/16 1:23 PM
6						Year to Date	
7		Budget	June				
49	Staff & Office Administration						
50	Downtown Meeting & Event Support	200	22		43	157	
51	Office Expenditures	750	80		207	543	
52	Dolphin Sign Replacement Cost	150				150	
53	Public Meeting Notices	2,000	40		400	1,600	
54	Legal Fees	3,500			1,450	2,050	
55	CRA Mgt & Admin Fee - 2.5% Increase	65,317	5,443		43,545	21,772	
56	DDB Minutes Preparation	1,430	110		880	550	
57	<i>Total Staff & Office Admin</i>	73,347	5,695		46,525	26,822	
58							
59							
60	Fixed Payments						
61	Officers & Directors Insurance	700			640	60	
62	Liability Insurance (Dolphins)	1,422			1,246	176	
63	Annual Audit	7,000			7,000	0	
64	CRA Increment Payment	173,273			178,662	(5,389)	
65	State Special District Fee	175			175	0	
66	Property Appraiser Fee	2,364	586		2,330	34	
67	<i>Total Fixed Payments</i>	184,934	586		190,053	(5,119)	
68							
69	Total Expenditures	425,429	9,609		382,315	43,114	
70							
71	Revenues in Excess of Expenditures	-	0		42,446		
72							
73	Expenditures in Excess of Revenues	\$ -	0		0		
74							
75	Ending Fund Balance	\$ -	0		42,446	42,446	
76							
77	Beginning Fund Balance 10-1-15		89,716				
78							
79	Minimum Reserves Approved by Board 11-6-13		71,465				

1	B	Q	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
2																7/26/16 1:55 PM
3																
4																
5																
6																
7	Budget	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	August	September		Year to Date	
8	Income															
9	Ad Valorem (Property) Taxes	251,056	17,187.89	138,895.99	52,183.98	5,156.51	5,150.61	7,380.69	13,139.65	8,647.78						247,743.10
10	Ad Valorem Taxes Prior Yr	100	46.45													46.45
11	Interest Income	500		146.85												876.26
12	CRA Interlocal Agreement Rev	173,273						252.81								173,218.43
13	Misc Revenue	500		1,155.00				173,218.43								2,876.85
14	Total Income	425,429.00	-	18,956.19	140,197.84	52,183.98	5,156.51	7,380.69	13,139.65	9,124.38	-	-	-	-	424,761.09	
15	Expenditures															
16																
17	Promoting District															
18	Funding Advertising - Mall / BV/C	1,345.00														1,345.00
19	Banner Installation & Maintenance	600														680.45
20	Downtown Streetscape Maintenance	3,200														-
21	Boatlift Construction & Maint	50,000					50,000.00									50,000.00
22	Holiday Lighting	14,500	327.00		6,979.59	3,156.00	3,478.00			336.00						14,276.59
23	Total Promoting District	69,645.00	327.00	6,979.59	3,156.00	53,478.00	-	160.00	336.00	1,865.45	-	-	-	-	66,302.04	
24	Promoting Merchants															
25	Graphic Design and Printing	3,000														
26	Advertising	3,000														
27	Jolley Trolley Downtown Loop	9,220			2,305.00											
28	Total Promoting Merchants	15,220.00	-	2,305.00	441.96	-	-	-	2,305.00	2,305.00	828.32	-	-	-	6,915.00	
29	Promoting Events															
30	Pierce Street Market	15,000						15,000.00								15,000.00
31	Clw Corner Art - "Thinking Outside of Box"	5,450						5,450.00								5,450.00
32	6th Annual Achieva Box Car Rally	1,000														-
33	Art in the Park	4,800			4,800.00											4,800.00
34	Clw Superboat National Championships	10,000														-
35	City / Clw Celebrates America	2,500														2,500.00
36	City / Fun n Sun Festival	2,500														2,500.00
37	City / Sea Blues Festival	7,500														7,500.00
38	Miracle on Cleveland @ Cap / Blast Fri	25,000					25,000.00									25,000.00
39	Clearwater Jazz Festival Jazz Walk	5,000														5,000.00
40	Santa & Suds Race/Walk For ASL & Deaf	3,500						3,500.00								3,500.00
41	Total Promotions	82,250.00	9,800.00	25,000.00	-	3,500.00	-	20,450.00	10,000.00	-	2,500.00	-	-	-	71,250.00	
42	Unallocated Funds	33,00														
43	Staff & Office Administration															
44	Downtown Meeting & Event Support	200		6.43		14.88										43.25
45	Office Expenditures	750		5.83		52.31										206.93
46	Dolphin Sign Replacement	150														-
47	Public Meeting Notices	2,000	40.00		80.00			40.00				40.00				400.00
48	Legal Fees	3,500		200.00		625.00		50.00								1,450.00
49	CRA Mgt & Admin Fee	65,317	5,443.08		5,443.08		5,443.08		5,443.08							48,987.72
50	DBB Minutes Preparation	1,430		110.00				220.00		110.00		110.00				880.00
51	Total Staff & Office Admin	73,247.00	5,482.08	5,845.34	6,160.39	5,833.94	5,443.08	6,168.08	5,703.08	5,636.19	5,634.72	-	-	-	51,967.90	

ITEM 5

Resolution 02-16
CLEARWATER DOWNTOWN DEVELOPMENT BOARD
INVESTMENT POLICY
ADOPTED AUGUST 3, 2016

WHEREAS, the Clearwater Downtown Development Board ("DDB") is a special taxing district organized and operating pursuant to the ordinances and laws of the City of Clearwater; and

WHEREAS, Florida Statute §218.415 requires that the DDB adopt a written investment policy for any public funds in excess of the amounts needed to meet current expenses or limit its investments as provided in Florida Statute §218.415(17); and

WHEREAS, pursuant to an annual agreement between the DDB and the Community Redevelopment Agency of the City of Clearwater, DDB funds are maintained in the City of Clearwater's bank account and segregated for accounting purposes from the City of Clearwater's records as a separated, interest earning fund; and

WHEREAS, the City of Clearwater has adopted the City of Clearwater Investment Policy approved September 9, 2010 (the "Clearwater Investment Policy") in compliance with Florida Statute §218.415; and

WHEREAS, the members of the board of the DDB have reviewed the Clearwater Investment Policy; and

WHEREAS, the members of the board of the DDB have determined that it is in the best interest of the DDB that it adopt the Clearwater Investment Policy to the extent that it is applicable to the DDB funds maintained in the City of Clearwater's bank account.

It is now, therefore, resolved that

1. The above recitals are true and correct and incorporated herein.
2. This resolution shall apply to all DDB funds in excess of the amounts needed to meet current expenses.
3. To the extent applicable to DDB funds, the DDB adopts and approves the Clearwater Investment Policy.
4. The board members of the DDB shall review the Clearwater Investment Policy at least annually to determine whether the DDB should re-adopt the Clearwater Investment Policy. The annual review shall be made prior to entering into any agreement which provides for maintenance of the DDB's funds in the City of Clearwater bank accounts.
5. The board members of the DDB shall review the Clearwater Investment Policy any time there is a substantive change in the policy to determine whether the DDB should readopt the Clearwater Investment Policy.

Paris Morfopoulos/Chairman

Attest:

Dennis Bosi
Vice-Chairman

Anne Fogarty France
DDB Administrator

City of Clearwater, FL
Investment Policy
Approved September 9, 2010

(1) SCOPE

This statement of investment policy and guidelines applies to all investments of the City's pooled cash, which includes cash and investment balances of the following funds:

- General
- Special Revenue
- Debt Service
- Capital Projects
- Enterprise
- Internal Service Funds
- Fiduciary Funds

The policies set forth do not apply to the non-pooled cash investments of the Pension and Deferred Compensation Funds of the City of Clearwater, deposits for defeased debt, or assets under Bond Trust Indenture Agreements.

(2) INVESTMENT OBJECTIVES

- A. Safety of principal is regarded as the highest priority in the handling of investments for the City. All other investment objectives are secondary to the safety of capital. Each investment transaction shall seek to first ensure that capital losses are avoided.
- B. The City's investment strategy will provide sufficient liquidity to meet the City's operating, payroll and capital requirements. To accomplish this the portfolio will be "laddered" with monthly maturities except for those months in which significant Ad Valorem taxes are received. To the extent possible, the City will match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the City will not directly invest in securities maturing more than 15 years from the date of purchase. Also, unless specifically matched against a debt or obligation not more than 15% of the portfolio will have a maturity greater than 10 years.
- C. The City's investment portfolio shall be designed with the objective of attaining a

City of Clearwater - Investment Policy

market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

(3) PERFORMANCE MEASUREMENT

The benchmark yield for the operating portfolio will be the weighted average yield determined by using the following maturity distribution and the related U.S. Treasury yields. Treasury yields are considered the benchmark for riskless investment transactions and, therefore comprise a minimum standard for the operating portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein.

Average Treasury Rates Percentage Distribution

Overnight rate	15%
3 month Treasury Bill rate	15%
6 month Treasury Bill rate	15%
1 year Treasury Bill rate	15%
3 year Treasury Note rate	15%
5 Year Treasury Note rate	15%
10 year Treasury Note rate	10%
Total	100%
Weighted average maturity of benchmark	2.46 years.

(4) PRUDENCE AND ETHICAL STANDARDS

The standard of prudence to be applied by the investment officer shall be the "Prudent Person" rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income derived." The "Prudent Person" rule shall be applied in

City of Clearwater - Investment Policy

the context of managing the overall portfolio.

(5) AUTHORIZED INVESTMENTS

The City shall limit investments, as authorized in Florida Statutes to:

- a. Direct Federal Government obligations. Investments in this category would include but not be limited to the following: United States Treasury Bills, Notes and Bonds, and securities issued by the Small Business Administration, Government National Mortgage Association (Ginnie Mae), Veterans Administration, and Federal Housing Administration.
- b. Federal Agencies and instrumentalities. Investments in this category would include but not be limited to the following: obligations of the Federal Home Loan Banks System (FHLB) or its distinct banks, Financing Corporation (FICO), the Federal Farm Credit Bank, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Student Loan Marketing Association (Sallie Mae), Financial Assistance Corporation and Federal Agriculture Mortgage Corporation (Farmer Mac).
- c. U.S. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- d. Interest-bearing time deposits or savings accounts, in a qualified Public Depository as defined in s. 280.02 Florida Statutes.
- e. Debt issued by the State of Florida or any political subdivision thereof including pools.
- f. Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the

City of Clearwater - Investment Policy

United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

- g. Repurchase Agreements and reverse repurchase agreements collateralized by securities otherwise authorized in this policy.
- h. The Local Government Surplus Funds Trust Fund or any intergovernmental investing pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s. 163.01 Florida Statutes.
- i. Commercial paper of prime quality of the highest letter and numerical rating as provided for by at least one nationally recognized rating service.

(6) Maturity and Liquidity Requirements

- A. The City will maintain a forecast of expected cash outflows and inflows by major categories. For months that the outflows exceed inflows the City will have investments maturing that month in excess of the forecasted deficits.
- B. The City's intention is to keep the weighted average maturity to three years or less. Due to market conditions and cash needs the average maturity may temporarily be greater than three years but no greater than five years.

(7) Portfolio Composition, Risk and Diversification

Assets held shall be diversified to control risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, or dealer/broker, through which these instruments are bought and sold. The following maximum limits apply to the portfolio:

Maturity date	10%	Specific instrument	8%
Specific issuer	40%	Specific dealer/broker	33%
Commercial paper	25%	CMOs and REMIC	33%

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Diversification strategies within the established guidelines shall be reviewed and revised periodically as necessary by the Investment Committee.

(8) Authorized Investment Institutions and Dealers

- A. Banks - Certificates of deposit purchased under the authority of this policy will be purchased only from Qualified Public Depositories of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the State Statutes.
- B. Broker/Dealer Approvals and Limitations - Time, practicality, and general business constraints limit the number of investment relationships which can be managed on a regular basis. In most cases, normal investment activity will be limited to no more than ten dealer relationships. A broker/dealer list will be established by the Finance Director or designee. This list will be presented to the Investment Committee for approval. This list will be updated as needed and approved by the Investment Committee.

(9) Third-Party Custodial Agreements

All securities shall be held by a third party safekeeping company. All purchases by the City under this policy shall be purchased using the "delivery versus payment" procedure. For all purchases and sales of securities the third party custodial will require the approval of two individuals authorized by the Finance Director.

(10) Master Repurchase Agreement

All approved institutions and dealers transacting repurchase agreements shall be covered by a Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

(11) Bid Requirements

After the Finance Director or designee has determined the appropriate maturity based on

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cash flow needs and market conditions and has selected one or more optimal type of investment, the security in question shall, when feasible and appropriate, be competitively bid. Competitive bids or offerings shall be received from at least three dealers/brokers on all sales or purchases except in situations where:

- A. The security involved is a "new issue" and can be purchased "at the auction".
- B. The security has a fixed "postal-scale" rate.
- C. The security involved is available through direct issue or private placement.
- D. The security involved is of particular special interest to the city and dealer competition could have an adverse impact with respect to the price and availability to the City.

It is also realized that in certain very limited cases the City will not be able to get three quotes on a certain security. For those cases the City will obtain current market prices from one of the following to determine if the transaction is in the City's best interest:

1. Bloomberg Information Delivery System.
2. Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing.
3. Daily market pricing provided by the City's Custody Agent or their corresponding institution.

(12) Internal Controls

The Finance Director shall establish and monitor internal and procedural controls designed to protect the City's assets and ensure proper accounting and reporting of the transactions related thereto. The internal controls will be designed to prevent losses of funds which might arise from fraud, employee error, misrepresentations by third parties, or imprudent actions by employees of the City. All buy and sell communications with the third party safekeeping company will be signed by two individuals authorized to make investment decisions. The internal controls developed under this policy shall be reviewed by the independent auditors as a regular part of their audit of the City.

The Finance Director shall establish an Investment Committee that meets on a regular basis for the purpose of reviewing investment transactions, approving brokers/dealer changes and other investment activities. The Investment Committee members will be the

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Finance Director, Assistant Finance Director, Cash & Investment Manager and any other individual appointed by the Finance Director and confirmed by the City Manager.

(13) Reporting

The Finance Director or designee shall report on at least an annual basis the following information on the City's investments:

- A. Securities by class/type.
- B. Book Value
- C. Market Value
- D. Income Earned

(14) Continuing Education

The members of the investment committee will complete no less than 8 hours of continuing educational opportunities on investment practices each fiscal year. The members of the investment committee will have sufficient knowledge and education to invest in any and all of the securities listed above.

INTERLOCAL AGREEMENT

This Interlocal Agreement is made and entered into this _____ day of _____, 2016, by and between the Community Redevelopment Agency of the City of Clearwater, Florida (CRA), a redevelopment agency established pursuant to law, and the Downtown Development Board (DDB), a special district organized and operating pursuant to the ordinances and laws of the City of Clearwater.

WHEREAS, Florida Statutes 163.387 requires all taxing authorities to make an annual appropriation in an amount equal to the incremental increase in the ad valorem revenue within the CRA area; and

WHEREAS, the DDB is a taxing authority within the meaning of the statute; and

WHEREAS, the CRA and the DDB in the spirit of cooperation desire to offer the downtown constituents the opportunity to utilize more efficiently the public dollars collected for each entity; and

WHEREAS, the CRA and the DDB have a special obligation to ensure wise and sound administration of the programs; and

WHEREAS, the CRA and the DDB desire to enter into an Interlocal Agreement outlining the scope of services and responsibilities of the parties; and

WHEREAS, the CRA and the DDB wish to enter into an Interlocal Agreement pursuant to Florida Statues 163.01, in which the DDB agrees to perform certain responsibilities and functions consistent with and in furtherance of the Downtown Redevelopment Plan, in return for an amount equal to the difference between the increment payment of \$188,500 and the \$66,950.00 the DDB pays the CRA for administration.

NOW THEREFORE, in consideration of the covenants made by each party to the other and of the mutual advantages realized by the parties hereto, the DDB and the CRA agree as follows:

Section 1. Term. The term of this Interlocal Agreement will be October 1, 2016, through September 30, 2017.

Section 2. Intent. It is the intent of the parties that the moneys paid to the CRA by the DDB pursuant to Florida Statute section 163.387, commonly referred to as the tax increment payment, be used to advance the goals and objectives of the Downtown Redevelopment Plan. The CRA shall retain \$66,950.00 to offset the cost of administration of the DDB as further described herein. The remaining money shall be returned to the DDB by the CRA in exchange for performance of certain responsibilities and functions by the DDB consistent with and in furtherance of the Downtown Redevelopment Plan.

Section 3. Responsibilities of the DDB. The DDB will promote, facilitate and support activities that sustain, promote and advance downtown revitalization and attract businesses and residents to relocate and stay in the DDB's district. In furtherance of these goals, the DDB will:

- a. advise the City of Clearwater (City) and the CRA on policies and procedures which will succeed in bringing more businesses and residents into the downtown district and thus improve its tax base and overall economic conditions;
- b. survey downtown freeholders and businesses to determine needs and attitudes, to monitor progress, to evaluate success or failure of initiatives;
- c. sponsor community events and encourage public attendance at events in support of downtown merchants;
- d. prepare and distribute public relations pieces such as, but not limited to, brochures and videos, district maps, etc.; and
- e. cooperate with the Regional Chamber of Commerce, the Convention and Visitors Bureau, and all others interested in promoting the downtown district as a destination

Section 4. Responsibilities of the CRA. The services that the CRA will provide are:

- a. Prepare correspondence for DDB members
- b. Maintain all DDB funds in the City's bank account and with funds segregated for accounting purposes in the City's records as a separated, interest-earning fund
- c. Assist with preparation and monitoring of the annual budget and prepare amendments as necessary
- d. Prepare monthly financial reports
- e. Prepare agendas and distribute packets to DDB members prior to each meeting
- f. Prepare meeting notices for monthly and special DDB meetings
- g. Attend meetings and supervise work of Board Reporter who records and transcribes minutes
- h. Coordinate the DDB Promotion and Business Visitation Committee meetings, if applicable
- i. Handle all phone inquiries and follow up on the calls
- j. Handle any special mailing notices
- k. Serve as coordinator for the DDB special activities
- l. If funded, qualify potential recruitment candidates for consideration by DDB for the Retail and Restaurant Recruitment Grant program
- m. Assist in looking into other incentive options to improve downtown properties and implement projects funded or initiated by the Board
- n. Assist with promoting design related programs to the downtown community
- o. Manage loans, contracts and all applicable documents
- p. Coordinate field trips and travel arrangements in accordance with the City of Clearwater Travel and Meals Policy

- q. Other administrative duties as mutually agreed
- r. Coordinate the annual election process in cooperation with the Pinellas County Supervisor of Elections
- s. Act as a Liaison to the Pinellas County Property Appraiser, Pinellas County Tax Collector, and DDB legal counsel: Elise K. Winters, P.A.
- t. Assure that the annual audit is conducted in compliance with requirements of the State of Florida Auditor General
- u. Comply with State of Florida Tax Increment Millage Compliance with Chapter 200, Florida Statutes, Sections 218.23, 218.63, Florida Statutes (TRIM)
- v. Comply with the Florida Department of State Information Services Records Disposition Act
- w. Comply with the State of Florida Department of Community Affairs Special District Information Program
- x. Comply with the State of Florida Department of Insurance Treasurer's Public Depositor Annual Report
- y. Coordinate financial disclosure requirements of the State of Florida Commission on Ethics

Section 5. Compensation. In return for the above services, the CRA shall pay to the DDB this difference upon receiving the increment payment from the DDB. The budget for the CRA for services listed in Section 4 above shall be as follows:

Personnel and Administration \$66,950.00.

Section 6. Notice. Any notice by either party to the other pursuant to the Interlocal Agreement shall be given in writing and hand-delivered or mailed as follows:

Chairperson, Board of Trustees
Community Redevelopment Agency
112 S. Osceola Avenue
Clearwater, Florida 33756

Chairperson
Downtown Development Board
Post Office Box 4748
Clearwater, Florida 33758-4748

Section 7. Entire Agreement. This document embodies the whole Agreement of the parties. There are no promises, terms, conditions or allegations other than those contained herein. This Agreement shall be binding on the parties, their successors, assigns and legal representatives.

Section 8. Filing Effective Date. As required by Section 163.01(11), Florida Statutes, the Interlocal Agreement shall be filed with the Clerk of the Circuit Court of Pinellas County after execution by the parties, and shall take effect upon the date of filing.

IN WITNESS WHEREOF, the parties hereto, or their lawful representative, have executed this agreement as of the date first above written.

**COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF CLEARWATER, FLORIDA**

By:

George N. Cretkos, Chairperson

ATTEST:

By:

Rosemarie Call, City Clerk

Approved as to form:

Pamela K. Akin
Attorney for CRA

DOWNTOWN DEVELOPMENT BOARD

BY:

Paris Morfopoulos, Chairperson

Approved as to form:

Elise K. Winters
Attorney for DDB