

TOWN OF CINCO BAYOU
WORKSHOP MEETING MINUTES
31 JULY 1999

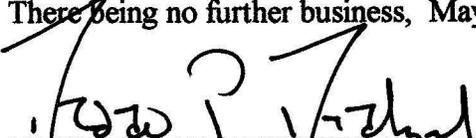
Mayor Drabczuk called the workshop meeting to order at 9:00 A.M.

PRESENT: Mayor Drabczuk
Councilman Payne
Councilman Skelly
Councilman Williams
Councilwoman Carroll
Councilman Kendrick

ALSO, PRESENT: Town Manager Turner, Faye Payne, Raymond Coronado, Willie Coronado & James Bratton.

Town Manager Turner presented the budget projections for FY 1999 along with recommended personnel policies affecting FY 2000. After the Budget was discussed in depth the Council reached a consensus to maintain the millage rate of 2.300 for FY 2000. Town Manager Turner announced that he would prepare a balanced budget according to that consensus, notify the appropriate Tax Assessor and Tax Collector offices, and advertise public hearings. The tentative budget hearing will be at the regular town meeting on Thursday, 12 August 1999 at 6:00 P M.

There being no further business, Mayor Drabczuk adjourned the meeting at 11:30 AM.



Randall P. Drabczuk Mayor

Attest:



Charles W. Turner Town Manager/Clerk

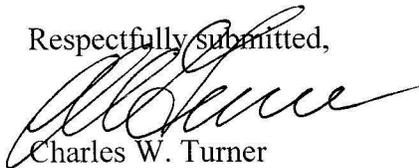
MIN- JULY 8 99

MEMORANDUM:

BUDGET FOR FYR 2000, Clarification

1. Worksheet "D" attached reflects the following as expressed by consensus at the workshop meeting Saturday 31 July 1999 and adjustment by Management to Worksheet "C".
 - a. The budget has been prepared and balanced at the current 2.30 millage rate.
 - b. Income is based on projected FYR 1999 figures.
 - c. Expenditures have been adjusted to equal income available by reducing some line item expenditures to offset the .50 millage rate increase originally proposed.
 - d. The budgeting error in FICA has been scrutinized and corrected.
2. It is the opinion of Management that the business of the Town can be accomplished within this budget provided there are no exceptional unanticipated expenses.
3. There are no capital outlay items included. We must accept the necessity of capital outlay items for future budgets to maintain acceptable assets.
4. The success of this budget will depend on implementation of constructive changes already proposed to take advantage of new vacation and sick leave policies, efficient performance by staff and scrupulous attention to avoid any wasted spending.
5. This is a lean budget of effectively \$9,000 less than last year when Solid waste Disposal is eliminated as a balanced income/expense line item.

Respectfully submitted,



Charles W. Turner

TOWN OF CINCO BAYOU - BUDGET 2000 (WORKSHEET "D")

REVENUES:"D"	BUD 1999	EST 1999	BUD 2000	CHNG
AD VALOREM TAXES - CURRENT	64,527	58,628.08	63,583	944
AD VALOREM TAXES - DELINQUENT	000	5,909.94	2,000	2,000
LOCAL OPTION GAS TAX	9,063	6,869.95	9,063	0
FRANCHISE FEE - ELECTRIC	23,674	14,934.75	14,501	(9,173)
TELECOM	000	000	000	0
NATURAL GAS	2,600	3,111.96	3,100	500
CABLE TV	2,300	1,389.00	1,400	(900)
SOLID WASTE	000	000	33,454	33,454
OTHER	000	000	000	0
UTILITY TAX - ELECTRIC	20,755	20,668.00	20,755	0
TELECOM	9,700	9,095.79	9,100	(600)
WATER	4,700	4,471.59	4,500	(200)
NATURAL GAS	4,300	4,190.63	4,300	0
PROPANE	000	000	000	0
OTHER	000	000	000	0
OCCUPATIONAL LICENSE - TOWN	6,500	3,944.33	6,500	0
PERMITS - TOWN	700	754	800	100
CIGARETTE TAX	1,600	2,408.03	2,400	800
REVENUE SHARING	21,997	19,553.33	21,997	0
MOBILE HOME LICENSE	000	245	000	0
ALCOHOLIC BEVERAGE LICENSE	1,284	1,211	1,300	16
ONE HALF CENT SALES TAX	21,423	22,611.12	22,000	577
OCCUPATIONAL LICENSE - COUNTY	900	824.89	805	(95)
OTHER CHARGES FOR SERVICES	000	52	000	0
COURT FINES - COUNTY	500	421.53	500	0
FINES - LOCAL ORDINANCES	000	000	000	0
BARNETT BANK SAVINGS	000	000	000	0
READY CHECKING INTEREST	300	1,395.28	600	300
COMPASS BANK C D	4,000	5,625.00	4,000	0
READY BANK C D	500	504.89	100	(400)
INTEREST EARNINGS - TAX COL.	200	636.72	500	300
OTHER MISC REVENUES	000	585.52	000	0
SR-85 MAINTENANCE	2,444	2,444.58	2,444	0
OTHER NON-OPERATING SOURCES	000	000	000	0
TOTAL REVENUES	203,967	192,489	229,701	25,734

EXPENDITURES:"D"	BUD 1999	EST 1999	BUD 2000	CHNG
SALARIES AND WAGES	72,780	72,801	74,021	1,241
FICA TAXES	4,512	9,026.11	4,589	78
RETIREMENT CONTRIBUTION	000	000	000	0
HEALTH INSURANCE	7,222	11,991.08	11,434	4,212
WORKERS COMPENSATION	1,650	1,640	1,650	0
ACCOUNTING AND AUDITING	5,000	6,507	5,500	500
PROFESSIONAL SERVICES - LEGAL	5,300	7,379.75	6,500	1,200
PROFESSIONAL SERVICES - ENGINEER	2,500	2,524.26	2,500	0
OTHER CONTRACTUAL SERVICES	990	594.06	990	0
TRAVEL AND PER DIEM	6,200	6,483.12	6,200	0
COMMUNICATIONS AND FREIGHT	2,020	2,880.56	3,000	980
TRANSPORTATION	500	000	000	(500)
UTILITIES/TOWN HALL	3,800	4,123.79	3,800	0
RENTALS AND LEASES	000	000	000	0
INSURANCE - PROPERTY	4,910	3,372	3,400	(1,510)
REPAIR AND MAINT. - TOWN HALL	2,350	1,948.52	2,400	50
OTHER CURRENT CHARGES AND OBL	2,500	7,647.92	6,700	4,200
OFFICE SUPPLIES	1,550	2,084.60	1,800	250
OPERATING SUPPLIES	2,200	3,736.87	2,600	400
BOOKS, PUBS, MEMBERSHIPS	1,436	1,191.20	1,436	0
IMPROVEMENTS - NON BUILDINGS C O	2,700	000	1,000	(1,700)
EQUIPMENT - C O	000	4,673.86	000	0
AID TO PRIVATE ORGANIZATIONS	1,550	1,566.67	1,550	0
PUBLIC SAFETY - LAW ENFORCEMENT	17,280	18,480	7,415	(9,865)
SOLID WASTE DISPOSAL - DUMPING	1,000	000	33,072	32,072
SALARIES AND WAGES - STREETS	000	000	000	0
PROFESSIONAL SERVICES - STREETS	1,500	000	000	(1,500)
UTILITY SERVICE - STREETS	7,200	6,832.20	7,000	(200)
REPAIRS AND MAINT - STREETS	2,000	560.07	1,000	(1,000)
OPERATING SUPPLIES - STREETS	1,000	000	600	(400)
MATERIALS AND SUPPLIES - STREETS	1,000	290.30	800	(200)
CAPITAL IMPROVEMENT - STREETS C O	000	000	000	0
REPAYMENT OF PRINCIPAL	12,000	9,304	9,834	(2,166)
INTEREST ON PRINCIPAL	6,600	6618.33	6,088	(512)
HUMAN SERVICES - PAWS	730	730	882	152
SALARIES AND WAGES - PARKS	000	000	000	0
OTHER CONTRACTUAL SVCS - PARKS	5,220	4,173.33	4,200	(1,020)
UTILITIES - PARKS	1,300	833.68	1,000	(300)
REPAIRS AND MAINT - PARKS	4,000	1,499	3,000	(1,000)
OPERATING SUPPLIES - PARKS	500	769.72	800	300
CAPITAL IMPROVEMENTS - PARKS	000	000	000	0
SPECIAL EVENTS	1,800	6,503.33	2,500	700
LANDSCAPING	7,500	000	5,000	(2,500)
CONTINGENCY FUNDS	1,717	000	5,440	3,723
TOTAL EXPENSES	204,017	208,767	229,701	25,684
TOTAL INCOME	203,967		229,701	25,734
BALANCE	(50)		0	50

Leave policy

1. This policy pertains to all full-time employees of the Town of Cinco Bayou and sets forth the intent of the Town Council regarding annual leave, sick leave, and paid holidays.

2. The Town Manager will be responsible for maintaining the personnel records for all employees and ensure that the appropriate personnel functions are performed to include the recording of work hours, accrued annual and sick leave and any leave taken. All leave taken by the Town Manager will be approved by the Mayor or Mayor Protem.

3. Annual Leave - Employees will accrue annual leave in accordance with the following schedule based on length of employment with the Town:

<u>Length of employment</u>	<u>Total hours per year(max)</u>
1 to 12 months	80 hrs (two weeks)
13 to 36 months	120 hrs (three weeks)
37 months plus	160 hrs (four weeks)

4. Annual leave may only be taken when earned without special permission in extenuating circumstances only. All leave is based on anniversary of employment year. No more than two weeks leave may be taken at one time without special approval by the Town Manager. Employees are encouraged to plan annual leave in advance as much as is possible. Unused accrued annual leave may be carried over to the following year.

5. Sick leave - is granted for the purpose of treatment of personal illness or injury by health care professionals and recovery thereof. Employees will accrue sick leave at the rate of 8 hours per month up to a maximum of 480 hours(12 weeks). The employer may require a doctors certification of illness and care for sick leave taken in excess of three days.

6. Upon termination of employment with the Town, an employee may elect to be paid for any unused accrued annual leave. No payment will be made for unused accrued sick leave.

7. Compensatory time off(flex time) when awarded shall be awarded on a ratio of 1.5 hours off to 1 hour worked except for work performed on a holiday, the ratio then shall be 2 to 1. Employees who accrue flex time must be allowed to take accrued time within six months of date of accrual or be paid for the accumulated flex time

**CREEL BRYAN & GALLAGHER**

CERTIFIED PUBLIC ACCOUNTANTS • A PROFESSIONAL ASSOCIATION

J. STEVE JAY, CPA
MARJORIE L. CUMMINS, CPA
GENE G. BARKER, CPA
JOSEPH W. HENDERSON, CPA
KEVIN D. BOWYER, CPA
ANGELA D. BALENT, CPA

R. BRENTWOOD BRYAN, CPA
CONSULTANT

August 11, 1999

Mr. Charles W. Turner
Town Manager
Town of Cinco Bayou
10 Yacht Club Drive
Fort Walton Beach, Florida 32548

Dear Mr. Turner:

In accordance with our engagement letter dated August 25, 1998, we offer the following information to begin the process of negotiating an audit fee for the fiscal year ending September 30, 1999.

Over the past couple of years, we have spent a considerable amount of chargeable time performing your audit, significantly more than the fee of approximately \$5,000-\$5,500. Numerous reasons exist for this, however we have not charged additional fees for performing additional work.

Assuming the Town provides our firm with the basic information required to perform the audit, and that no unusual or unforeseen circumstances are encountered, we feel that we can reasonably perform the audit for a fee of \$6,000. Significant improvements to the Town's operating environment and accounting system over the past year will help; principally, the computerization of the general and subsidiary ledgers. Should we encounter significant unusual or non-recurring transactions, we will have to bill separately for handling those issues. We will strive to fully disclose any such issues that arise prior to incurring any time on the job. We will discuss the issues with management and/or the Council and develop a plan for resolution in the most efficient manner possible.

Hopefully, you will find the fee arrangement satisfactory, and as always, please feel free to give me a call and discuss if you have any additional questions or comments.

Sincerely,

CREEL, BRYAN & GALLAGHER
Certified Public Accountants


Kevin D. Bowyer, CPA

AUDITING SERVICES REQUEST FOR PROPOSAL

PURPOSE: The Town of Cinco Bayou hereby solicits offers for the professional services of a qualified CPA firm to provide auditing services for a period of three(3) consecutive years, with an option for an extension of two(2) years.

SCOPE OF ENGAGEMENT: The scope of the prospective engagement will be to perform a financial and compliance audit of the general purpose financial statements of the Town of Cinco Bayou for the years ending September 30, 1999, 2000 and 2001. The firm selected shall be expected to provide consultation and assistance in the preparation of financial statements in accordance with generally accepted accounting principles and in preparation of the comprehensive annual financial report (CAFR). The audit and resulting accounts' report must be in accordance with generally accepted standards and government audits (F.S. 11.45) and Section 10.557(2) Rules of the Auditor General for Local Government Entity Audits.

INQUIRIES: Inquiries concerning this RFP should be directed to:

Charles W. Turner, Town Manager/Clerk
Town of Cinco Bayou
10 Yacht Club Drive NW
Cinco Bayou, FL 32548
Telephone (850) 244 2712

A copy of the Town's CAFR for the year ending September 30, 1998, will be forwarded upon request. Please contact the Town Manager/Clerk at the above number.

DESCRIPTION OF ENTITY TO BE AUDITED: The Town of Cinco Bayou, by the authority of the State of Florida, was incorporated in 1950; and in accordance with the Florida State Statutes, the financial records of the Town are required to be audited annually by a CPA firm. Funds included in the financial statements to be audited will be the General fund and the General Fixed Assets.

The Town is administered by an elected Mayor and five Councilmembers. The Town Manager/Clerk reports to the Council. There are two additional employees: an administrative assistant and a maintenance man.

The finance functions consists of General ledger, accounts receivable, accounts payable and payroll. There are three full time employees and an occasional part time employee. The Town occasionally uses a Temporary service to fill in for employees who are absent. The financial systems are performed on Peachtree Accounting for Windows 5.0 or comparable software.

QUALIFICATIONS REQUIRED: In order to be considered, the firm presenting the proposal must be a firm of certified public accountants eligible by law to practice public accounting in the State of Florida.

PROPOSAL CONTENT: Firms are requested to present information in the following format:

1. Experience and qualifications of the firm including experience and qualifications of the professionals assigned to the engagement.
2. Consulting capabilities.
3. Other information including:
 - A. Number of professionals in the firm and in the local office, categorized by level (i.e. partner, manager, staff).
 - B. Copy of the reports on the firm's latest peer review, if one has been performed in the past three years.
 - C. History of the local office and nature of practice in terms of types of clients served and location of office to perform audit.
 - D. Any other information the firm believes would assist the Town in its evaluation process.
 - E. Describe the local office's computer capability, including the numbers and classifications of personnel skilled in computer sciences who will work on the audit.
 - F. Describe the firm's experience in auditing through the Client's computer system including software.

The Town reserves the right to request oral information to supplement any or all written proposals.

SCOPE OF AUDIT: All funds of the Town are to be audited in accordance with the Office of Management and Budget (OMB) circular A-133, attachment P. The Town will assist the auditor as needed.

AUDITING STANDARDS: The examination shall be made in accordance with generally accepted auditing standards as adopted by the membership of the American Institute of Certified Public Accountants and the Statements of Auditing Standards.

1. The examination should be made in accordance with the AICPA "Industry Audit Guide - Audits of State and Local Government units," OMB circular A-133, Attachment P. and the rules of Legislative Auditor General of the State of Florida. Prior to the beginning of the audit, the auditors should review the program and procedures to be followed with the Town Manager/Clerk. The Town of Cinco Bayou reserves the right to add to the proposed audit program any procedures described in the guides previously cited as being necessary for a thorough audit.
2. Town officials of the Town of Cinco Bayou will have access to the auditor's working papers and audit programs.
3. The comprehensive annual financial report will be prepared in accordance with the Government Accounting Standards Board (GASB) statements.
4. Auditors will prepare the State of Florida Uniform Financial Report to be submitted to the State of Florida prior to the established date due.
5. Management services provided in conjunction with the audit process would be favorably considered.

AUDIT REPORT: The report(s) and internal control letter(s) shall be reviewed with the Town Manager/Clerk and the Town Council prior to release. The audit must be completed in time to comply with all state deadlines.

SELECTION PROCESS: All proposals will be reviewed by the Mayor, Council and Town Manager/Clerk. Some firms may be invited to interview with the aforementioned officials. Selection shall be made on the basis of qualifications, costs and considerations that are in the best interest of the Town.

EVALUATION CRITERIA:

1. Qualifications and experience of the firm:
 - a. Auditing organizations of similar size.
 - b. Auditing local government units.
2. Qualifications and experience of each engagement team member:
 - a. Engagement partner/principal and other partners or principals.
 - b. Engagement Manager.
 - c. in-charge senior.
 - d. Other professional staff.
 - e. Continuing education requirements.
 - f. Most current peer review.
 - g. Availability of staff on a timely basis.
 - h. Knowledge of Town of Cinco Bayou's computer software.
 - i. Perceived ability to work with Town staff.
3. Consulting capabilities:
 - a. Information management.
 - b. Human resources.
 - c. other.

TIME REQUIREMENTS: The following deadlines are presently anticipated:

8-13-99	Mail Audit RFP's
9- 07-99	Submission of written proposals (Bid opening 6:00 p.m.) Town Manager/Clerk
9-09-99	Oral presentations if requested
9-10-99	Notification of Firm selected for negotiations
9-13-99	Negotiations for fees
9-16-99	Engagement of successful firm; Council confirmation
9-17-99	Preview of in house system Field work can begin
9-30-99	End of accounting period
12-15-99	Completion of field work
1-12-2000	Independent auditor concurrence with draft to be submitted to Town.

1-25-2000	Compliance Audit reports delivered.
2-09-2000	Exit Review
2-15-2000	Submit State annual financial report to the Office of Comptroller and Auditor General.

COMPENSATION AND NEGOTIATIONS: The Town will rank firms on the evaluation criteria set forth in the RFP. Once this ranking is established, the Town will negotiate compensation with the top-ranked firm. If this negotiation is not successful, the negotiation will be closed with that firm and be opened with the next ranked firm, etc. in order of ranked. If the Town negotiates with all the ranked firms, and has not made a selection, then they will open negotiations beginning again with the first ranked firm.

The Town reserves the right to reject all proposals deemed to be unresponsive and to accept any proposals which best meet the above evaluation criteria. The Town also reserves the right to waive any informalities, irregularities, or technicalities in proposals submitted.