

## ACTIONS REGARDING COMPLAINTS, CONCERNS AND APPARENT CODE VIOLATIONS

St. & File No.	Action	St. & File No.	Action
Hughes		Beal Con't	
1.	In process-Bldg/Weeds	9.	Abated-Trash/Debris
Kelly		10.	In process-Junkyard/Debris
1.	In process-Bldg/Weeds	11.	In process-Trash/Debris
2.	Deleted-Bldg	12.	In process-Debris/Fence
3.	Abated-Bldg		
4&5	In process-Signs/Cars	Eglin (VII)	
6.	In process-Cars	1.	In process-Trash/Debris
7.	In process-Cars/Boats	2.	Abated-Junkyard/Debris
8.	Abated-Cars	3.	Abated-Hedge
9.	Pending-Weeds/Debris	4.	Abated-Furniture
10.	Abated-Weeds/Trash	5.	Pending-Fence/Reroof
11.	In process-Weeds	6. Appx A	Abated
12.	Deleted-Cardboard Boxes	Troy	
Yacht Club		1.	In process-Debris/Appliances
1.	In process-Bldg/Car/Weeds	2.	In process-Weed/Debris
2.	Deleted-Bldg/Car/Weed	3.	Pending-R of way Measure
3.	In process-Bldg/Weeds	4.	Pending-Appliances/Debris
4.	Abated-Fence/Debris	Kidd St	
5.	Abated-Fence	1.	In process-Debris/Dwelling
6.	In process-Masonry Wall	2.	Pending-Fence
7.	In process-Fence	3.	Pending-Sea Wall/Pond
8.	In process-Ditch	4.	Abated-Poles around Trees
9.	Abated-Strom debris	Andalusia St	
Sea Way		1.	Deleted-Car Port
1.	In process-Weed/Boat/Bldg	2.	Deleted-Abandoned Junkpile
2.	In process-Sea Wall	Eglin Pkw (XI)	
Lucile		1.	Deleted-Compass Sign
1.	In process-Yard/Fence/Bldg	2.	Abated-Sign
2.	In process-Yacht Club Dr	3.	Abated-Barrels Sod/Water
Beal Pkw		4.	Abated-Hobos Quarters
1.	Abated-Debris	Luverne St	
2.	Abated-Junkyard/Barrels	1.	Deleted-Abandoned Cars
3.	In process-Junkyard/Fence	Bridge	
4.	Abated-Trash/Debris	1.	Deleted-Graffiti
5.	Abated-Trash/Debris	Opp Blvd	
6.	Abated-Trash/Debris	1.	In process-Culvert/Paving
7.	Abated-Trash/Debris	2.	Abated-Bldg
8.	Abated-Trash/Debris	Opp St 1&2	Abated-Dump/Hobos

September 11, 1996

TO: Mayor and Councilmembers  
SUBJECT: Analysis of Franchise Fees and Utility Taxes  
FROM: Elvin C. Bell 

During the 1997 FYB process, I reviewed the Town's franchise and utility contracts/agreements with Warner Cable Television (now Emerald Coast Cablevision), Okaloosa Gas, Gulf Power, Central Telephone Company (now Centel), and Environmental Waste Systems.

The Council may share with me some concerns I have about some of those agreements. In addition to the analysis, I am attaching a survey of utility taxes/fees charged by other cities in this region. The survey provides an overview of what other cities receive in revenue from sources listed. By referring to the attached analysis and comparing it to the Town's charges for like services, you can see some differences in various fees/taxes.

#### ANALYSIS:

##### 1. Warner Cable Television (now Emerald Coast Cable/Cox Communications).

The Cable Television Franchise was adopted by the Town Council on September 12, 1989. The franchise is for twelve (12) years. Franchise payments call for the Company to pay the Town a three percent (3%) fee based on gross subscriber revenue received by the Company for regular cable television services in the Town.

The contract exempts certain revenue such as leased channels and pay cable from gross revenue.

There is no provision in the contract to periodically review the franchise fee, negotiate a new rate, or redefine "gross subscriber revenue."

## 2. Okaloosa County Gas District.

This franchise agreement was approved by the Council on September 24, 1986, and became effective on January 1, 1987. It is a fifteen (15) year unconditionally accepted contract.

The contract calls for Okaloosa Gas to compensate the Town four percent (4%) of its gross operating receipts from Town usage. Further, the contract calls for periodic review at five (5) year intervals starting on January 1, 1992.

There is no record of the Town ever requesting or implementing periodic review to negotiate a higher fee. I will discuss with the Council at a future meeting various parameters for fulfilling periodic review. A negotiations session with Okaloosa County Gas District could be held in January 1997 if the Council desires. (I recommend such a meeting).

## 3. Gulf Power Company Electric Transmission and Distribution System.

The franchise was adopted by the Council on May 18, 1981. It is a thirty (30) year contract.

Gulf Power pays the Town a franchise fee of three percent (3%) of the Grantee's revenue from electric service to customers in the Town.

It is interesting to note that the contract allows the Town every three (3) years to negotiate a new franchise fee, within limits allowed by law, and other franchise amendments the Town may desire to initiate.

I am unable to find any record of the Town exercising its right to negotiate for a higher fee. We are now fifteen (15) years into the contract. If my research is accurate, the Town may have lost the opportunity to negotiate an increase of its income on five (5) different occasions since the current contract started in 1981. The next cycle year for negotiations is 1999.

## 4. Central Telephone Company of Florida (now Sprint/Centel-Florida).

The Town Council granted a twenty (20) year exclusive franchise to Central on November 1, 1987. In granting the franchise, the Council included a provision for a franchise fee of three percent (3%) then waived that fee in August 1984. The franchise agreement does allow for the levying of a franchise fee if the Town determines it necessary during periodic reviews. Those reviews are restricted to five (5) year intervals beginning with the fifth anniversary of the

commencement date. The twenty (20) year contract now in force replaced a contract between the Town and Central which had expired after thirty (30) years.

Florida Public Service Commission Rule 25-4.110(6) paragraph (6)(b) requires that all franchise fees be paid by the individual subscriber.

Sprint/Centel-Florida pays the Town a ten percent (10%) utility tax.

#### 5. Environmental Waste Systems

The most recent EWS franchise was granted by the Town Council on June 1, 1993. The franchise agreement is for three (3) years with automatic three (3) year roll-overs (renewals) if neither side notifies the other of requested changes at least sixty (60) days prior to June 1 on the cycle years, for example, the years of 1996, 1999, 2002, etc.

It appears that EWS has had an exclusive contract with the Town since it apparently purchased the business of the Town's previous solid waste contractor, Northwest Florida Sanitation Services Inc., on or about February 16, 1981. Further, the Town has apparently not called for competitive bids on solid waste management during the past fifteen (15) years.

During that period, the expanding industrial enterprise that evolves around solid waste and recycling has grown into two distinct business categories: Local/regional privately owned businesses that are waiting to be purchased by a national firm such as Republic, or international conglomerates such as WMX Technologies (the parent firm of EWS) or BFI, which is a distant second place competitor to WMX Tech.

The Town/EWS contract has an interesting default/termination clause. It would take a minimum of six (6) months to end the contract, however, there are so many conditions applied to such default termination, the time-frame is more like a year.

During the 1996 fiscal year, the County paid to EWS \$370,000.00 in recycling funds. Under the EWS/County agreement, EWS is to collect/process recycled items, bale them, and then market the items for sale. EWS is then authorized to deduct its operations cost and remit the net proceeds to the County. The proceeds are intended to be used by the County to educate the public about recycling. However, the County has not, and will not, receive any proceeds this fiscal year from EWS.

The County, during the 1997 fiscal year, will again remit \$370,000.00 to EWS in recycling funds.

Until a couple years ago, EWS was remitting to the County between \$35,000.00 to \$80,000.00 in net proceeds from recycling.

The contract the Town of Cinco Bayou has with EWS does not call for any return of net proceeds from recycling.

For the past several years, staff time in selling tags and bags, keeping the EWS finance ledger current, accounting for funds received, buying supplies for EWS record keeping, and responding to customer complaints/inquiries have required three staff days per month. This means that the Town of Cinco Bayou not only donates funds to EWS in the form of office supplies, but we will also donate \$2,604.00 in staff time this fiscal year.

Moreover, for the past several years the Town remitted to EWS a check in the amount of \$113.95 each quarter for a yearly sum of \$455.80. That amount was sent under the apparent impression that the Town had to purchase tags for its trash service.

I discontinued those payments. The contract clearly exempts Town Hall from paying for such services.

Recommendation: The Council designate the Manager or Counsel to keep the Council informed of pending contract renegotiation cycles and/or rollover dates. This information is necessary if the Council decides to consider negotiations.

Atch.

## UTILITY TAX RATES FOR LOCALITIES IN THE NORTHWEST FLORIDA REGION

CITY	WATER	ELECTRIC	CABLE	GAS	TELEPHONE
NICEVILLE	10.00% NO CAP	10.00% NO CAP	0.00%	10.00% NO CAP	7.00% NO CAP
VALPARISO	10.00% \$10.00 CAP	10.00% \$10.00 CAP	0.00%	10.00% \$10.00 CAP	10.00% \$10.00 CAP
SHALIMAR	10.00% NO CAP	5.00% \$25.00 CAP	0.00%	10.00% NO CAP	10.00% NO CAP
FORT WALTON BEACH	10.00% \$10.00 CAP	10.00% \$10.00 CAP	0.00%	10.00% \$10.00 CAP	7.00% \$10.00 CAP
MARY ESTHER	10.00% \$10.00 CAP	3.00% \$10.00 CAP	3.00% NO CAP	4.00% NO CAP	1.00% NO CAP
DESTIN	0.00%	0.00%	0.00%	0.00%	0.00%
PENSACOLA	10.00% \$1000.00 CAP	10.00% \$1000.00 CAP	0.00%	10.00% \$1000.00 CAP	10.00% \$1000.00 CAP
GULF BREEZE	0.00%	0.00%	0.00%	0.00%	0.00%
MILTON	0.00%	10.00% \$50.00 CAP	0.00%	0.00%	0.00%
CRESTVIEW	8.00%	10.00%	10.00%	10.00%	10.00%
RESIDENTIAL:	NO CAP	\$15.00 CAP	NO CAP	\$15.00 CAP	\$15.00 CAP
COMMERCIAL:	NO CAP	\$25.00 CAP	NO CAP	\$25.00 CAP	\$25.00 CAP
DE FUNIAK SPRINGS	10.00%	10.00%	10.00%	10.00%	10.00%
RESIDENTIAL:	\$15.00 CAP	\$15.00 CAP	\$15.00 CAP	\$15.00 CAP	\$15.00 CAP
COMMERCIAL:	\$30.00 CAP	\$30.00 CAP	\$30.00 CAP	\$30.00 CAP	\$30.00 CAP
LYNN HAVEN	0.00%	10.00%	0.00%	10.00%	10.00%
1995-1996		\$50.00 CAP		\$50.00 CAP	\$50.00 CAP
1996-1997		\$75.00 CAP		\$75.00 CAP	\$75.00 CAP
1997-1998		\$100.00 CAP		\$100.00 CAP	\$100.00 CAP
HIIPLEY	10.00% \$25.00 CAP	10.00% \$25.00 CAP	10.00% \$25.00 CAP	10.00% \$25.00 CAP	10.00% \$25.00 CAP
PANAMA CITY	0.00%	10.00%	5.00%	5.00%	7.00%
*CAP WILL INCREASE TO \$500.00 OVER THE NEXT 6 YEARS		*\$100.00 CAP	NO CAP	NO CAP	NO CAP

September 6, 1996

TO: Mayor and Councilmembers  
SUBJECT: PROPOSED INVESTMENT POLICY (DRAFT)  
FROM: Elvin C. Bell, Town Manager

THE TOWN OF CINCO BAYOU, FLORIDA  
INVESTMENT POLICY

1.0 Policy

It is the policy of the Town of Cinco Bayou, Florida to: (1) Invest funds in a manner which will provide the highest investment return; (2) Ensure maximum security; (3) Meet the daily cash flow demands; and, (4) Conform to statutes governing the investment of such funds.

2.0 Scope

This policy pertains to investment funds.

3.0 Statutory Authority

The investment of local government surplus funds is administrated under Florida Statute Chapter 166.261, and amended under Chapter 21 Part IV, Sections 218.40 through 218.45.

4.0 Organization

The organization of the investment functions of the Town shall consist of the Mayor and Town Council, the Town Manager, and the Town's designated Certified Public Accounting Firm. The responsibilities of these groups are as follows:

#### 4.1 The Mayor and Town Council

This group is the elected body responsible for the administration and investment of the assets of the Town of Cinco Bayou. The Mayor and Town Council may acquire, hold, manage, purchase, sell, assign, trade, transfer, or dispose of any security, evidence of debt, or other investment in which the Town's assets may be invested. To assist them in discharging their responsibilities, the Mayor and Town Council shall receive recommendations from the Town Manager and the Town's Accounting Firm.

#### 4.2 The Town Manager

The Town Manager is the Chief Administrative Officer for funds management, and is responsible for executing the investment policies of the Mayor and Town Council. In addition, the Town Manager employs staff members and is responsible for their compliance with personal conduct standards. The Town Manager recommends to the Mayor and Town Council an operating budget and investment strategies based on the written investment policy. The Town Manager is responsible for recommending investment dealers, brokers and/or financial institutions that are eligible to do business with the Town. Those recommendations are subject to review and approval of the Mayor and Town Council.

The Town Manager, as investment officer of the Town, is granted full authority and responsibility by the Mayor and Town Council in the assignment and transfer of securities, and for the safe custody of security holdings, subject to Mayor/Council policies, rules, regulations, and directives consistent with regulatory and statutory limitations.

#### 4.3 The Accounting Firm

The Accounting Firm shall review the investments of the Town to confirm that they conform to the requirements of prudence, comply with statutory and regulatory requirements, and conform with the investment objectives and policies adopted by the Mayor and Town Council. During Annual Audits, or earlier if so directed by the Mayor/Town Council, and/or Town Manager, the Accounting Firm shall review the investment transactions, investment performance, and portfolio strategy and make recommendations to the Mayor/Town Council and the Town Manager for any changes deemed appropriate.

## 5.0 Investment Objectives

The primary objectives of the Town of Cinco Bayou's investment activities shall be :

### 5.1 Safety

Safety of principal is the foremost objective of the investment program. Investments of the Town of Cinco Bayou shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

### 5.2 Liquidity

The Town of Cinco Bayou's investment portfolio shall remain sufficiently liquid to enable the Town to meet all operating requirements which might be reasonably anticipated.

### 5.3 Return on Investment

The Town of Cinco Bayou's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Town's investment risk constraints, and the cash flow characteristics of the portfolio.

### 5.4 Withdrawal Without Penalty

The Town's investments shall be placed in interest bearing status with the following proviso: Any or all of said funds may be withdrawn by the Town without sanctions or penalties whatsoever.

## 6.0 Investment Objectives By Types Of Funds

Public Funds shall be divided into two categories. The investment objectives and policies vary with the nature of each fund, such as:

### 6.1 Funds for Operating Expenses

Funds to provide for the ordinary operating expenses of the Town of Cinco Bayou; Portfolio management is designed to balance the inflow and outflow of the principal of the funds, using income generated as a supplementary source of revenue.

#### 6.1A Objectives:

The primary investment objectives of this portfolio are preservation of principal and liquidity; income is a secondary objective.

#### 6.1B Risk Tolerance:

Because most of the principal of the fund will be paid out over the course of the fiscal year, volatility of principal is not permitted, although moderate income volatility can be tolerated. Financial risk is not acceptable.

#### 6.2 Funds for Capital Expenditures

The Town's Capital Expenditure Funds are to provide for major expenses, capital outlays, and other specified non-recurring long-term purposes. This portfolio is managed to ensure that funds are available as needed, measures are taken to preserve the principal, and generate income that can supplement other funding sources. Capital Expenditures include reserve funds now on deposit which are hereby designated for the following purposes:

##### 6.2A Short Term

To augment short-term operating expenses as needed.

##### 6.2B Aesthetics

To develop, maintain and improve the aesthetics associated with an environmentally attractive community e. g., tree maintenance, tree replacement and landscaping.

##### 6.2C Infrastructure

To maintain and improve the Town's public works facilities and infrastructure.

This program includes street paving and striping, drainage repair/replacement, Sea Wall maintenance and Town Hall renovation.

## 7.0 Ethics

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 capital as well as the probable income to be derived. Investment officers acting in accordance with written procedures and the investment policy, and exercising due diligence, shall not be liable or responsible for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

## 8.0 INVESTMENT POLICY GUIDELINE

The following investment policy guidelines are adopted:

### 8.1 Bank Accounts

Savings accounts, money market accounts, or certificates of deposit shall be placed in State of Florida certified qualified public depositories.

### 8.2 Negotiable Instruments

Funds may be deposited in negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government at the then prevailing market price for such securities.

## 9.0 INTERNAL CONTROL

The Mayor, Town Council Members and Town Manager shall establish an annual process of independent review by an external auditor which shall be the Town's Accounting Firm. The review will provide internal control by assuring compliance with policies and procedures.

## 10.0 PERSONAL CONDUCT

The Mayor, Town Council Members, Town Manager, and the Accounting Firm may not have a direct or indirect interest in the gains or profits of any investment made by the Town of Cinco Bayou, and may not receive any pay or emolument for services other than as designated compensation and/or authorized expenses.

All persons responsible for investment decisions or who are involved in the management of the Town's assets are prohibited from accepting invitations to functions if the cost is borne by financial brokers, agents, vendors, dealers or corporations. Exceptions to this rule are invitations that have been extended to other municipalities/members of the investment community and are made for the express purpose of presenting topics pertinent to the investment of the Town's assets.

## 11.0 EFFECTIVE DATE

This policy shall take effect on this \_\_\_\_\_ day of \_\_\_\_\_, 1996.

\_\_\_\_\_  
Randall P. Drabczuk  
Mayor

Attest:

\_\_\_\_\_  
Elvin C. Bell  
Town Manager/Clerk

AGENDA

TOWN OF CINCO BAYOU LOCAL PLANNING AGENCY OCTOBER 1, 1991

SILENT PRAYER

PLEDGE OF ALLEGIANCE TO THE FLAG

ROLL CALL Mayor Laginess  
Councilwoman Balsley  
Councilman Broxson  
Councilman Gage  
Councilman Kendrick  
Councilman Skelly

1. Minutes - September 5, 1991
2. Land Development Plan Review - Construction of a Building for Addotion for Serigraphia, 223 Troy Street - Mr. Greg Keith