

TOWN OF CINCO BAYOU  
COUNCIL AS COMMITTEE MEETING  
OCTOBER 14, 1985

The Town Council as Committee Meeting of the Town of Cinco Bayou was called to order by Mayor Usrey at 6 P.M.

SILENT PRAYER

PLEDGE OF ALLEGIANCE TO THE FLAG

Mayor Usrey requested the Clerk call the roll.

ROLL CALL

Present: Mayor Usrey  
Councilwoman Balsley  
Councilman Davis  
Councilman Gage  
Councilman Laginess  
Councilman Perry

Also Present: Attorney Gontarek      Jeff Prescott  
Sadie Robblee                      Clerk Borchik  
Abbie Tyner                         Secretary Knox  
Mike Plaster

MINUTES - Mayor Usrey asked the Council to review the minutes of the September 5, September 9, September 16, and September 25, 1985 Town Council Meetings for approval at the next council meeting.

FINANCIAL REPORT - Mayor Usrey asked the Council to review the financial report for September, 1985 for approval at the next council meeting.

REGULAR BUSINESS

1. Building Permit - Mr. L. Patrick - Mr. Jeff Prescott, Architect, was present with the plans for the proposed building. Mayor Usrey advised Mr. Prescott that the Council would require a set of plans and specifications for review and would act on this matter at next week's meeting. Mr. Prescott stated he would deliver plans and specifications on Tuesday, October 15, 1985.

2. Utility Tax - Centel - Mayor Usrey advised that each Councilmember had a copy of the Utility Tax Comparison/Analysis that was prepared by Centel. Following a discussion concerning the Council making a choice between the 7% and 10% options for utility tax collections, the Attorney was asked to study the comparison/analysis and bring a recommendation to the Council at next week's meeting.

3. Proposed Utilities Commission - Mayor Usrey advised that each Councilmember had a copy of the minutes of the

Proposed Utilities Commission meeting held on October 3, 1985. The Town will be notified of the date, time and place of the next meeting.

4. Condemned Building - Investments Unlimited - The Clerk advised the Council that a letter had been sent to Investments Unlimited on August 20, 1985, advising them that the building was beyond repair and granting them 30 days to remove the building. As of this date, there has been no response from Investments Unlimited. Following a discussion concerning action to be taken, the Attorney was asked to review the Code of Ordinances and make a recommendation at next week's meeting.

5. Condition of Property

A. 39 Garnett Avenue - Investments Unlimited

B. 6 Yacht Club Drive - A. Semenov & R. Cooper

The Clerk advised the Council that letters had been sent on September 10 to Investments Unlimited concerning the condition of their property at 39 Garnett and on September 9 to A. Semenov and R. Cooper concerning the condition of their property at 6 Yacht Club Drive. As of this date, there has been no response to either letter. Following a discussion concerning enforcement of the ordinance, Mayor Usrey advised the Council that this matter would be acted on at next week's meeting.

PUBLIC REQUESTS WILL BE HEARD AT THIS TIME. None

COMMITTEE REPORTS

Standing Committees

1. Streets & Sidewalks - Councilman Davis, Chairman  
Councilman Davis advised the Council that the letter received from Mr. David Heinrich, County Engineer, made no mention of the guard rail along the ditch on the north side of Yacht Club Drive. A discussion followed concerning the second entrance drive to be constructed at the Moorings. Councilman Davis suggested that the open ditch along Yacht Club Drive between the pipe under the road and the proposed driveway be piped and filled. The County would be asked to assist in this project.

2. Parks - Councilman Gage, Chairman - No report

3. Finance & Budget - Councilwoman Balsley,  
Chairman - No report

4. Waterfront - Boat Dock - Councilman Perry,  
Chairman - No report

5. Civil Defense - Councilman Perry, Chairman  
No report

6. Neighborhood Watch - Councilman Laginess,  
Chairman - No report

Special Committees

1. Bicycle Path - Councilwoman Balsley, Chairman  
No report

2. Building Codes - Councilman Laginess, Chairman  
No report

3. Comprehensive Plan - Councilman Perry, Chairman  
No report

4. Code of Ordinances - Councilmen Gage & Laginess  
No report

ATTORNEY'S REPORT

Attorney Gontarek advised the Council that he would be responding to Mr. Denney's letter concerning the removal of the container that was placed at the RAM Construction Company site by Okaloosa Sanitation, Inc. Following a discussion concerning the garbage franchise in the Town, the Attorney was asked to review the franchise and make a recommendation to the Council at next week's meeting.

CORRESPONDENCE

1. Letter - County Engineer - This item was covered under Committee Reports, Streets & Sidewalks.

2. Letter - Mr. Denney - This item was covered under Attorney's Report.

3. Letter - ISO Commercial Risk Services, Inc. - Mayor Usrey advised the Council that a letter had been received from ISO Commercial Risk Services, Inc. concerning the fire insurance rating classification for the Town. The Clerk was asked to notify the Ocean City-Wright Fire Department concerning the classification.

CLERK'S REPORT

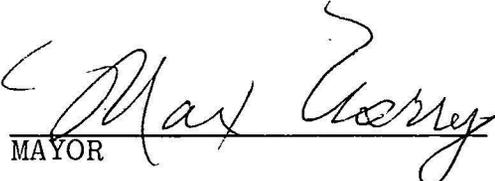
1. The Clerk advised the Council that the audit has begun as of October 1.

2. The Clerk advised the Council that the grant application for Glenwood Park should be completed in the near future for the Council's approval.

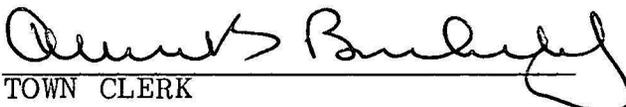
MAYOR'S ANNOUNCEMENTS

The Mayor reminded everyone about the Town Picnic tomorrow night at 6:30 in Laguna Park.

There being no further business, the meeting was adjourned at 6:50 P.M.

  
MAYOR

Attest:

  
TOWN CLERK

Note: A mechanical recording has been made of the foregoing proceedings of which these minutes are a part and is on file in the office of the Town Clerk.

RECEIVED  
10/03/85  
KMS

**CENTEL**

A Centel Company  
1313 Palm Street Drive  
D-9, Box 2211  
Tallahassee, FL 32310  
Telephone 904 224 8142

September 30, 1985

Mr. Al Borchik  
Town of Cinco Bayou  
35 Kelly Avenue (Cinco Bayou)  
Fort Walton Beach, Florida 32540

Dear Mr. Borchik:

The enclosed Utility Tax Comparison/Analysis Worksheet provides information for making a choice between the 10% and 7% maximum options for utility tax collections. Billing information is for one month only (July, 1985) and is not valid for specific estimates of future revenue. I believe the ratios between the options are valid and can be used for a decision.

Limitations placed on the amount of revenue subject to tax will continue due to exemptions provided to certain accounts and amended Ordinance No. 4. Revenues from intrastate toll are subject to competition and may be billed by someone other than Centel.

After you have an opportunity to review the information, please give me a call.

Sincerely,

  
James Conoly  
Regulatory Manager

WJC:bb

Enclosure

30-Sep-85

FILE: TAXCINCO

CENTRAL TELEPHONE COMPANY OF FLORIDA

UTILITY TAX COMPARISON/ANALYSIS

MUNICIPALITY: CINCO BAYOU, FLORIDA

BILLING DATA: JULY, 1985	CURRENT STATUS		OPTIONAL	FORECAST AFTER 12/31/85		FORECAST AFTER 12/31/86		FORECAST AFTER 12/31/87	
	TAX BASE	RATE @ 10%	RATE @ 7%	BASE @ 10%	BASE @ 7%	BASE @ 10%	BASE @ 7%	BASE @ 10%	BASE @ 7%
TAXABLE SERVICES									
INTRA-STATE SERVICE									
INTRA-STATE TOLL	\$3,680	NONE	\$3,680	NONE	\$3,680	NONE	\$3,680	NONE	\$3,680
DIRECTORY ASSISTANCE	\$1	NONE	\$1	NONE	\$1	NONE	\$1	NONE	\$1
SUB-TOTAL	\$3,681	NONE	\$3,681	NONE	\$3,681	NONE	\$3,681	NONE	\$3,681
LOCAL EXCHANGE SERVICES									
ACCESS LINES	\$6,203	\$6,203	\$5,203	\$6,203	\$6,203	\$6,513	\$6,513	\$6,839	\$6,839
CUSTOM CALLING	\$140	\$140	\$140	\$140	\$140	\$147	\$147	\$154	\$154
OTHER LOCAL SERVICE	\$2,013	\$2,013	\$2,013	\$1,812	\$1,812	\$1,359	\$1,359	NONE	NONE
SUB-TOTAL	\$8,356	\$8,356	\$8,356	\$8,155	\$8,155	\$8,019	\$8,019	\$6,993	\$6,993
REVENUE BILLED JULY, 1985	\$12,037								
UNADJUSTED REVENUE BASE		\$8,356	\$12,037	\$8,155	\$11,836	\$8,019	\$11,700	\$6,993	\$10,574
REVENUE SUBJECT TO TAX (1)		\$5,849	\$8,426	\$5,708	\$8,285	\$5,613	\$8,190	\$4,895	\$7,472
ESTIMATED TAX MONTHLY		\$585	\$590	\$571	\$580	\$561	\$573	\$490	\$523

NOTES: (1) A FACTOR IS USED TO CONVERT BILLED REVENUE TO ESTIMATED TAXABLE REVENUE. THE FACTOR CORRECTS FOR EXEMPTIONS PROVIDED ON CITY, COUNTY, STATE, AND FEDERAL GOVERNMENT BILLS AND TAX LIMITS ON BILLS PROVIDED BY CITY ORDINANCE.

(2) FACTOR TO CALCULATE ESTIMATED TAXABLE REVENUE IS 0.70 OF BILLED REVENUE.

(3) AN AMMENDMENT TO CITY ORDINANCE NO. 4, DATED MARCH 3, 1959 PLACES A LIMIT OF \$10.00 OR 10%, WHICHEVER IS SMALLER, ON ALL TELEPHONE LOCAL SERVICE BILLS.

(4) INTRA-STATE REVENUES HAVE NOT BEEN ADJUSTED FOR THIS EXAMPLE. CARRIERS OTHER THAN CENTEL WILL BE COMPETING FOR THIS BUSINESS, THEREFORE, OTHER METHODS MUST BE DEvised TO CAPTURE THE REVENUE.

(5) ACCESS LINE REVENUE IS INCREASED AT A CONSERVATIVE FIVE PERCENT PER YEAR FOR 1986 AND 1987.

SUMMARY OF  
HOUSE BILL 1340  
UTILITY TAX ON TELECOMMUNICATIONS

1. Effective July 1, 1985, municipalities will have the choice to either:
  - (a) Continue levying the municipal public service tax (utility tax) on basic local telephone service at a rate not to exceed 10 percent of the monthly recurring customer service charges. This excludes pay telephones, access charges, and any customer access line charges paid to a local telephone company as the law presently allows; or
  - (b) Apply the utility tax on an expanded base which includes telephone service, intrastate toll telephone service, telegram or telegraph service, teletypewriter or computer exchange service, and private communication service at a rate not to exceed 7 percent of the total charge for the service excluding pay telephones, access charges, and any customer access line charges paid to a local telephone company. Furthermore, municipalities are allowed to levy the tax at a rate not to exceed 7 percent of the monthly recurring customer service charges (excluding variable usage charges) on cellular mobile telephone or telecommunication service, specialized mobile radio, and pagers and paging service, including but not limited to "beepers" and any other form of mobile and portable one-way or two-way communication.
2. For the purpose of compensating the telecommunication company for recordskeeping, collection, and remittance, the company is allowed to deduct 1 percent of the total amount collected and due to the municipality.
3. With the adoption of HB 1340, the utility tax rate on telecommunication services need not be levied at the same rate as electricity, metered or bottled gas, and water services. The new law, specifically removes telecommunication service from the subsection which addresses the taxing of competitive services at the same rate. For example, if a municipality is presently taxing electricity, metered and bottled gas, telephone and water services at 8 percent, the municipality could amend the ordinance to increase telephone to 10 percent on basic local telephone service (or to decrease it to 7 percent on the expanded telecommunications base), while electricity and water services remain at 8 percent.
4. Should a municipality wish to achieve maximum revenues from the utility tax on telecommunication service, a revenue analysis should be conducted to determine if a sufficient volume of

applicable telecommunication service charges, excluding local telephone service, exist within your municipality. Since the maximum rate that can be applied to the expanded base is 7 percent, a municipality should be extremely careful to make sure that sufficient taxable sales exist to overcome the 30 percent decrease in revenues presently being generated from local telephone service (provided the city is levying the full 10%). Attached is the most current list (dated 6/14/85) of long distance service companies who have been certified to operate in Florida by the Public Service Commission. A complete listing of telecommunication companies operating in Florida will be maintained by the Department of Revenue; however, at this time, DOR states that Florida law requires them to keep such information confidential. In order to identify those companies who provide other applicable telecommunication services, each municipality should attempt to locate such companies through occupational licenses, yellow pages, newspaper/television advertising, competitive telecommunication companies, etc.

5. If your municipality elects to levy the utility tax on the expanded telecommunication base, the law requires that a municipality adopt an ordinance specifying such a change, and notify each company responsible for collecting the tax. Concerning the amount of notice time to provide to each company, there appears to be a question with the language in Section 1, Chapter 166.231 (9) (d). One argument is that a municipality must notify each company at least 120 days prior to the effective date of the ordinance. However, an argument of equal merit is that the 120 days notice does not pertain to a municipality on its initial election to convert from the 10% maximum levy on existing basic telephone service to the 7% maximum levy on the expanded telecommunication base. Therefore, it is the League's recommendation that each municipality consult with their City Attorney concerning the amount of advance notice time.

If, at a later date, a municipality decides to revert back to the present base (up to 10% of local telephone service), a minimum of 12 months must have expired from the effective date of the ordinance before the change can take effect. The law specifically states that the effective date of the change take place at least 120 days after the companies are officially notified.

6. Finally, the law places a cap on all future franchise fees paid by telephone companies. It cannot exceed 1 percent of the gross receipts on recurring local service revenues provided within the municipality. Included within the 1 percent maximum fee are all taxes, licenses, fees, and other impositions except ad valorem taxes and amounts for assessment for special benefits, such as sidewalks, street pavings and similar improvements, and occupational license taxes levied or imposed by a municipality upon the telephone company.

# City of Fort Walton Beach

RECEIVED  
10/9/85

## INTER-OFFICE MEMORANDUM

DATE: OCTOBER 7, 1985

TO: CITIES OF DESTIN, NICEVILLE, VALPARAISO, CRESTVIEW; TOWNS OF  
CINCO BAYOU, MARY ESTHER, SHALIMAR; AND COUNTY COMMISSIONERS

FROM: CITY CLERK *[Signature]*

SUBJECT: PROPOSED UTILITIES COMMISSION

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Enclosed herewith are the minutes of the Proposed Utilities Commission meeting held on October 3, 1985. Please designate one representative to attend the next meeting to begin work on the formation procedures. You will be notified of the date, time and place of the next meeting.

/ddm

enclosure



HOME OF THE

*Sonic Boom*

POSSIBLE  
FORMATION OF  
UTILITIES  
COMMISSION

Mr. Smith called the meeting to order then welcomed everyone and thanked the cities for their representation. Mr. Smith stated that the City of Fort Walton feels there is a need to form a Utilities Commission and would like to incorporate the whole county in the formation of a commission. Mr. Smith pointed out that representatives from Destin and Ocean City are not present, but they are interested in the formation of a Utilities Commission and asked for a copy of the minutes of this meeting. Mr. Smith introduced Donald L. Whitman, Executive Director, Center for State and Local Government, University of West Florida, Pensacola, Florida. Mr. Whitman assisted with the Pensacola Utilities Commission formation and is an authority on what is required to form a commission. Mr. Smith then turned the meeting over to Mr. Whitman.

Mr. Whitman gave some background information on the Center for State and Local Government which is available to the local governments in assisting them in addressing particular problems. Mr. Whitman started by discussing the terms for the establishment of a Utilities Commission in Okaloosa County which covered the topics of a Special District, Independent vs. Dependent, a Governing Body, Fees and/or Taxing Authority and Methods of Establishment. Before moving on to the Steps to Establishment, there was a discussion on the information given so far.

Mr. Whitman next discussed the Steps to Establishment. The first step to be taken is an agreement in principal by all governments concerned regarding the purpose/intent of the commission; services that are to be provided and to what extent; the areas to be served; how it is to be governed; the taxing authority; and the acquisition of capital assets. Next step is to draft an outline of the enabling legislation (or committee); an acceptance of the draft by all the local governments, which could be done by a Resolution; a request to Legislative Delegation for Special Act; a referendum, which is not required by law; and the final step would be the establishment.

PROPOSED UTILITIES COMMISSION  
MINUTES OF MEETING OF REPRESENTATIVES  
FROM AREA CITIES AND OKALOOSA COUNTY  
OCTOBER 3, 1985

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INTRODUCTION: A meeting of the representatives from area cities and Okaloosa County, Florida, was held on Thursday, October 3, 1985, at 9:00 A.M., in the Conference Room at City Hall, with the following representatives present:

City of Fort Walton Beach:

Councilman J. C. "Buck" Smith  
Chuck Ingram, City Manager  
Helen Spencer, City Clerk  
Monty Jackson, Public Works Director  
Councilman Lee Bobo (Visitor)  
Councilman Gloria Battle (Visitor)

Town of Shalimar:

Cornelia Lewis, Town Clerk

Board of County Commissioners:

Bill Peebles, Jr.  
Larry Anchors

Okaloosa County Officials:

Dave Heinrich, County Engineer  
Donald Neal, County Water & Sewer  
Sam Marley, County Water & Sewer

Northwest Florida Water Management District:

Pat Blackshear

News Media:

Don Mooring, K-92 Radio, Destin

ABSENT: The following cities had no representatives present:

City of Crestview  
City of Destin  
City of Niceville  
City of Valparaiso  
Town of Cinco Bayou  
Town of Mary Esther

POSSIBLE  
FORMATION OF  
UTILITIES  
COMMISSION  
CONT:

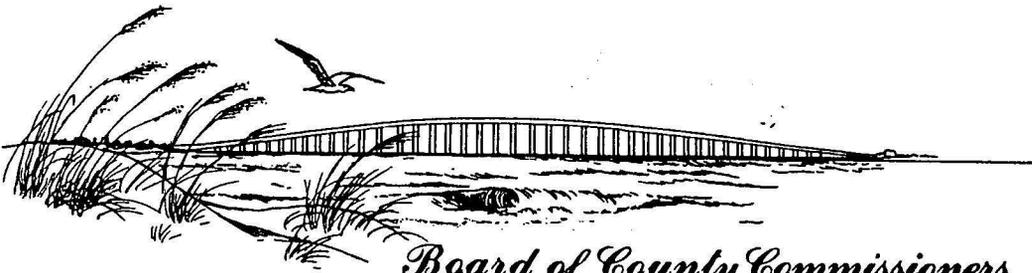
There was a question on the time frame involved to establish a commission. Mr. Whitman answered that it depends on how interested the governing bodies are in having a commission, and if they are ultimately able to agree to what it should look like. Mr. Whitman also pointed out that the establishment would probably have to be a phased operation. There was another question on what principal benefits could be derived over the long run in establishing a commission and Mr. Whitman answered that, first you would have to decide what services are going to be covered, then you would have more local control and there would then be one governing body dealing with the State and Federal Governments. From an economic view point, there may be, some time in the future, some cost savings or at least maybe not as much cost growth. A discussion then followed on which cities that want to be included, what utilities that should be included and the next step to be taken. Mr. Whitman pointed out that the proposed legislation act should be written broad enough so that you will then have the option of expanding it at a later date.

Mr. Smith thanked Mr. Whitman and noted that Mr. Whitman has agreed to make himself available, then asked each city to go back to their respective Councils to appoint one representative to attend the next meeting to begin work on the formation procedures. A memo, along with a copy of the minutes from this meeting, will be sent to each city to inform them of the date, time and place of the next meeting.

ADJOURNMENT: There being no further business, the meeting was adjourned at 9:55 A.M.

RECEIVED  
9/20/85

ASB



*Board of County Commissioners*

*County Seat*  
Crestview, Florida 32536  
Tel. (904) 682-2711

*Okaloosa County*  
*Florida*

*Annex*  
Petaluma, Florida 32579  
Tel. (904) 651-3710

September 16, 1985

Cinco Bayou Town Hall  
Mr. Al Borchik  
35 Kelly Avenue  
Ft. Walton Beach, Fl. 32548

Dear Al:

Regarding our September 4 meeting with Monty Jackson and Mr. Davis, the following is a recap of action items agreed upon:

1. Okaloosa County will clean the ditch in front of the Moorings to promote the flow of water.
2. Okaloosa County will inspect and if possible seal from the inside any slipped joints in the concrete pipe traversing Yacht Club at that point.
3. I will recommend to the Board of County Commissioners that a surface overlay be made to Yacht Club from Eglin Parkway for approximately 500 feet or to a point past the Moorings and tying into better asphalt. If approved by the Board of County Commissioners, this would be in conjunction with the construction of a right turn lane from Yacht Club to north bound Eglin as we discussed. The above work will all need Board of Commissioners approval. Our list of recommendations for 1986 asphalt work will be finalized sometime during late October.

If I have omitted anything please let me know.

Sincerely,

DAVID F. HEINRICH  
Okaloosa County Engineer

DFH/jk

**Please Address Reply To:**

RECEIVED  
10/4/85  
RMB

RICHARD M. DENNEY  
ATTORNEY AT LAW  
25 WALTER MARTIN AVENUE, SUITE 203  
P. O. BOX 308  
FORT WALTON BEACH, FLORIDA 32549

GENERAL PRACTICE

October 3, 1985

TELEPHONE  
(904) 244-5822  
244-5833

OUR FILE # 85-1074

Mr. Al Borchik  
Town Clerk of  
Cinco Bayou  
Kelly Avenue  
Ft. Walton Beach, FL 32548

RE: Okaloosa Sanitation, Inc.  
2 Yard Container  
Cinco Bayou City Park

Dear Al:

In conference with Mr. Ray Hoda today of Okaloosa Sanitation, Inc., I am advised that Ram Construction requested a container at the construction site for the removal of building debris and once the container was put in place, your office on or about September 20, 1985 has demanded that the container be removed.

I am interested in knowing as the attorney for Okaloosa Sanitation, Inc. the Ordinance or Statute by which Cinco Bayou controls building debris, whether it was pursuant to this that the container was ordered removed, and if not, what authority was used.

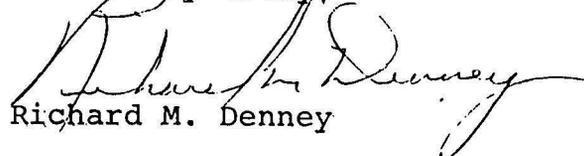
On behalf of Okaloosa Sanitation, Inc., I would also like to request copy of any and all building debris, garbage commercial and/or dwelling and/or residential that is used by the Town of Cinco Bayou in regulating same.

I would also like to know if the Town of Cinco Bayou has granted any exclusive franchises concerning the above and if so, on what basis.

I would further like to know when the next bids will be publicly let for such services.

Your assistance in this matter would be greatly appreciated.

Yours very truly,

  
Richard M. Denney

RMD/nw  
cc: Ray and Ann Hoda

RECEIVED  
10/10/85  
1183

# ISO COMMERCIAL RISK SERVICES, INC.

4070 BOULEVARD CENTER DRIVE JACKSONVILLE FL 32207 (904) 396-5901

October 8, 1985

Honorable Max O. Usrey, Mayor  
Town of Cinco Bayou  
35 Kelly Avenue  
Ft. Walton Beach, Florida 32548

Dear Mayor Usrey:

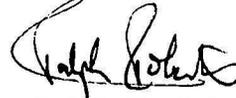
We have been informed by the City of Ft. Walton Beach that effective October 1, 1985 the city no longer provided fire protection for your town.

As you may know the Town of Cinco Bayou received the same rating classification as the City of Ft. Walton Beach (Class 4). We have been informed that this service is now provided by the Ocean City-Wright Fire Control District. We ask that you please confirm this with us and if the service is provided by Ocean City-Wright Fire Control District then we will need to have a letter from them advising us of the type of protection they are providing to your town. After receiving this information we will decide whether or not a field survey visit should be conducted.

These statements refer only to the fire insurance rating classification of your town. Our comments are not for property loss prevention or life safety purposes and no life safety or property loss prevention recommendations are made.

We look forward to hearing from you in the near future.

Very truly yours,



Ralph R. Roberts  
Public Protection Department

rrr:dgf  
cc: Mr. C. L. Ingram, P.E.  
City Manager  
City of Fort Walton Beach  
Post Office Box 4009  
Ft. Walton Beach, Florida 32549