



**CITY OF CALLAWAY, FLORIDA**  
**CITY HALL**

6601 East Highway 22, Callaway, FL 32404  
Phone 850-871-6000 • FAX 850-871-2444  
www.cityofcallaway.com

**Mayor**  
Thomas W. Abbott

**Commissioners**  
Melba Covey  
Pam Henderson  
Bob Pelletier  
Ralph L. Hollister

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**PUBLIC NOTICE**

**REGULAR MEETING**

by the City of Callaway Board of Commissioners  
on Tuesday, January 27, 2015 – 6:00 P.M.  
at the Callaway Arts & Conference Center  
500 Callaway Park Way  
Callaway, FL 32404

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**AGENDA**

**CALL TO ORDER**

**INVOCATION**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**MAYOR'S INSTRUCTIONS –**

- Call for Additions / Deletions, and any items to be pulled from Consent Agenda for discussion. Remind everyone, elected officials and citizens, to speak directly into microphones.

**PUBLIC PARTICIPATION (non-agenda items)**

- Citizens must complete a Public Participation form prior to the meeting and submit it to the City Clerk to be called and recognized at the podium.
- Speakers must come to the podium to be heard.
- Comments are limited to five (5) minutes.

**PRESENTATION / PROCLAMATION**

None

**APPROVAL OF MINUTES**

- Special Meeting, December 16, 2014

**CONSENT AGENDA**

- ITEM #1 Resolution 15-02 - Utility Services Disconnection and Reconnection Fees and Times  
ITEM #2 Address Status of Issues Brought Before the Commission in 2014

**OLD BUSINESS**

None

**REGULAR AGENDA**

- ITEM #3 Final Reading/Public Hearing - Ordinance #952 - Dissolving the Bridge Harbor Community

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**Fire Department**  
P: 850-871-2753  
F: 850-871-5564

**Leisure Services**  
P: 850-874-0031  
F: 850-874-9977

**Planning / Code Enforcement**  
P: 850-871-4672  
F: 850-871-2404

**Public Works**  
P: 850-871-1033  
F: 850-871-2416

**Arts & Conference Center**  
P: 850-874-0035  
F: 850-874-0706

*"This institution is an equal opportunity provider and employer."*

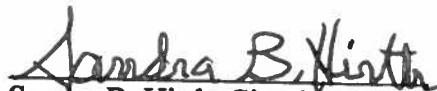
- ITEM #4 Development District - City Manager Fuller  
Owner Utility Deposit for Rental Properties - Commissioner Covey  
ITEM #5 Household Garbage Service Requirement - Commissioner Covey  
ITEM #6 Discussion On Establishing a Committee of Citizens to Review Ordinances - Commissioner Pelletier  
ITEM #7 Recommendation From Auditors Utility Billing Report - Commissioner Henderson

## COMMISSION COMMENTS

## ANNOUNCEMENTS

All meetings will be held at the Callaway Arts & Conference Center, 500 Callaway Park Way, Callaway, FL unless otherwise noted.

- Next Regular Commission Meeting, Tuesday, February 10, 2015, 6:00 P.M.
- Next Code Enforcement Board Meeting, Thursday, February 26, 2015, 6:00 P.M.

  
Sandra B. Hirth, City Clerk

Providing public input is important. It can be accomplished by calling, emailing, making an appointment with your Commissioner, or speaking at a public meeting. Public Participation for non-agenda items is called at the beginning of the meeting. Public Participation for regular agenda items is called during each item after the Commission has discussed the item and a motion and second are made but before there is a call for a vote.

If a person decides to appeal any decision made by the City Commission with respect to any matter considered at the meeting, if an appeal is available, such person will need a record of the proceeding and such person may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based. Any person requiring a special accommodation at this meeting because of a disability or physical impairment should contact Callaway's City Clerk, at 6601 E. Highway 22, Callaway, FL 32404; or by phone at (850) 871-6000 at least five calendar days prior to the meeting.

If you are hearing or speech impaired, and you possess TDD equipment, you may contact the City Clerk using the Florida Dual Party Relay System, which can be reached at 1-800-955-8770 (Voice) or 1-800-955-7661 (TDD).

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**City of Callaway Board of Commissioners  
Agenda Item Summary**

January 27, 2015

Resolution 15-02 Utility Service Disconnection and Reconnection Fees & Times

<p><b>1. PLACED ON AGENDA BY:</b> J. Michael Fuller, City Manager</p>	<p><b>2. AGENDA:</b></p> <p>PRESENTATION <input type="checkbox"/></p> <p>PUBLIC HEARING <input type="checkbox"/></p> <p>CONSENT <input checked="" type="checkbox"/></p> <p>OLD BUSINESS <input type="checkbox"/></p> <p>REGULAR <input type="checkbox"/></p>
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**3. IS THIS ITEM BUDGETED (IF APPLICABLE)?:** Yes  No   
N/A

**4. BACKGROUND: (WHY, WHAT, WHO, WHERE, WHEN, HOW, & IDENTIFY ALL ATTACHMENTS)**

Currently, the City imposes a disconnection/reconnection charge only when there has been a physical disconnection at the account address. Resolution 15-02 would amend the procedure for assessing these charges and discontinues after hours reconnections. The Resolution requires payment in full by 5:00pm on the 25<sup>th</sup> of each month. A charge of \$25.00 shall be imposed on any account that has failed to pay by the disconnect date and time, regardless if a physical disconnect has or has not been accomplished.

At the January 13<sup>th</sup> Commission Meeting, the board requested that staff include language allowing for after-hours reconnections in emergency or other unusual circumstances. This has been added in the attached Resolution.

Resolution 15-02 will help the City streamline its utility billing practice by simplifying the length of time it takes to assess disconnection charges.

**ATTACHMENT:**

- Resolution 15-02

**5. REQUESTED MOTION/ACTION:**

Staff recommends the City Commission approve Resolution 15-02 amending certain fees and time for utility service disconnection and reconnection.

## **RESOLUTION 15-02**

A RESOLUTION OF THE CITY OF CALLAWAY, FLORIDA, AMENDING RESOLUTION 08-29; AMENDING UTILITY SERVICE DISCONNECTION; AMENDING DISCONNECTION CHARGES; REPEALING ALL RESOLUTIONS OR PARTS THEREOF WHICH ARE IN CONFLICT HERewith; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Resolutions 08-29 , 13-27 and 14-14 set utility rates and procedures for residential, commercial, industrial and bulk water and sewer utility service and related charges for the City of Callaway; and

WHEREAS, the City Commission of the City of Callaway has determined that it is fiscally sound and necessary to revise certain charges, dues dates and times.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF CALLAWAY, FLORIDA, AS FOLLOWS:

### **SECTION 1. UTILITY SERVICE DISCONNECTIONS FOR NON-PAYMENT.**

- A. DISCONNECT DATE AND TIME. Failure to pay in full by 5:00 p.m. on the 25<sup>th</sup> day of each month shall result in the disconnection of utility services. In the event the 25<sup>th</sup> is on Friday, Saturday, Sunday or a legal holiday, the utility bills are due and payable by 5:00 p.m. of the next full business day following the Friday, Saturday, Sunday or holiday.
- B. DISCONNECT CHARGE. A disconnection charge of \$25.00 shall be imposed on any account that has failed to pay by the disconnect date and time, regardless if a physical disconnect has or has not been accomplished. A disconnection charge is separate from and in addition to tampering charges imposed because of illegal reconnects and disconnect.
- C. EXCEPTIONS AND EMERGENCIES. The City Manager or designee may authorize a reconnection or service work order after regular city hours if a disconnection has been made in error or if in response to an emergency or extraordinary event.

### **SECTION II. AUTHORIZATION AND REPEALER.**

This Resolution is adopted pursuant to Sections 18-50, 18-107, and 18-300 of the Code of Ordinances of the City of Callaway authorizing the amendment of charges and fees by resolution by the City Commission. Those portions of Sections 18-50, 18-107 and 18-300 contained in this Resolution which are not amended or do not specify changes in the charges and fees are neither modified nor re-adopted by this Resolution and are

included herein for convenient reference only. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

**SECTION III. EFFECTIVE DATE.**

This resolution shall take effect during the next billing cycle in the month following the date of approval.

PASSED AND ADOPTED at the Regular Meeting of the City Commission of the City of Callaway, Florida this \_\_\_\_\_ day of January, 2015.

CITY OF CALLAWAY

\_\_\_\_\_  
Thomas W. Abbott, Mayor

ATTEST:

\_\_\_\_\_  
Sandra B. Hirth, City Clerk

**City of Callaway Board of Commissioners  
Agenda Item Summary**

January 27, 2015

Address Status of Issues Brought Before the Commission in 2014

**1. PLACED ON AGENDA BY:**

Melba Covey, Commissioner, Ward 1

**2. AGENDA:**

- PRESENTATION
- PUBLIC HEARING
- CONSENT
- OLD BUSINESS
- REGULAR

**3. IS THIS ITEM BUDGETED (IF APPLICABLE)?:** Yes  No

N/A

**4. BACKGROUND: (WHY, WHAT, WHO, WHERE, WHEN, HOW, & IDENTIFY ALL ATTACHMENTS)**

Attached are the items/issues that were brought before the Commission from May, 2014 through November, 2014 either in discussion and/or by instruction to the City Manager to address and bring back to the Commission

**ATTACHMENT:**

- Status on Items and Responses

**5. REQUESTED MOTION/ACTION:**

Updated status and/or address implementation or closure of items/issues.



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**MEMORANDUM**

**DATE:** January 23, 2015  
**TO:** Mayor Abbott, Commissioner Covey, Commissioner Henderson, Commissioner Pelletier & Commissioner Hollister  
**FROM:** Michael Fuller, City Manager SAF  
**RE:** Update on Past Agenda Items

An item to update the Commission on old agenda business was pulled from the January 13<sup>th</sup> Commission Meeting Agenda so that staff could have an opportunity to gather information and respond. I have enclosed a list of the twenty-four (24) updates that have been requested. Staff responses are stated in *italics* and additional information has been enclosed herewith.

Enc.

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Fire Department  
Center  
P: 850-871-2753  
F: 850-871-5544

Leisure Services  
P: 850-874-0031  
F: 850-874-9977

Planning / Code  
Enforcement  
P: 850-871-4672  
F: 850-871-2404

Public Works  
P: 850-871-1033  
F: 850-871-2416

Arts & Conference  
P: 850-874-0035  
F: 850-874-0706

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## **Status Items Requested by Commissioner Covey**

1. New Meters installation.

*Per PW Director Johnson – No new meters installed yet for the meter replacement project.*

2. Ordinance #494, Flat Rate Water fee charged to each household where there is Master Meter.

*We do master meters for multi-family properties. A flat rate is charged per unit plus a usage charge.*

3. Residents required to connect to city water.

*There were a total of 81 certified letters sent out requiring existing sewer customers to connect to the city water system. Of those certified letters, 60 were signed for, 19 were returned to sender, and 2 are unaccounted for (meaning no signature and no return to sender). Out of the 81 delivered letters, 6 existing sewer customers have setup water accounts.*

4. Grants. (Stormwater, sidewalk, Berthe Ave. Spillway, Water Supply) info taken from grease board in Conference Room.

### **a) FDOT LAP Agreements:**

**7th Street Sidewalk Project** - Five (5) foot sidewalk from Tyndall Parkway to Bob Little Road. STATUS: Engineering is 100%. Awaiting FDOT LAP executed construction agreement and Notice to Proceed for advertising for Construction and Engineering during Construction.

**Bob Little Road Bike Path/Sidewalk Project** - Five (5) foot bike path/sidewalk from 7th Street to Cherry Street. STATUS: Advertised for Request for Proposals for design on December 12, 13, 14, 2014. Received only two proposals. FDOT requires at least three proposals to qualify as an acceptable RFP request. Re-advertised on January 16, 17, 18, 2015 with a proposal opening scheduled on February 11, 2015.

### **b) STORMWATER PROJECTS:**

**N. Kimbrel Avenue Drainage Improvements** - CRA Project to replace three existing 34" by 53" ERCP culverts and head walls with two 3' by 5' box culverts and head walls. STATUS: Data Collection & Surveying is 95% complete. Design services are 30%. Total project is at 41% complete. Awaiting additional CRA funds.

**Lance & Pridgen Street Stormwater Project** - This project consists of the development of a new stormwater management facility for the purpose of improving water runoff quality while providing some attenuation within the limits of the City. Funded by a Northwest Florida Water Management District (NFWFMD) Grant not to exceed \$705,218.00. STATUS: Data Collection & Surveying is 100%. Design Services are 45%. Total project is 49% complete. Total amount of engineering billed to date is \$48,468.30.

**Berthe Spillway Repair** - Bridge at the spillway on Berthe Ave. was damaged during the 100 year rain event that occurred in July 2013. A Public Assistance Grant has been

*requested from FEMA. STATUS: Currently the project has been un-obligated (not funded). Continuing contact with Florida Department of Emergency personnel to get project funded. A waiver request for the local funding match was denied. It was hoped that the City could receive a waiver to pay the local portion of the repair which is 12.5% and that the entire 25% would be paid by the State.*

*(Storm Pipe Replacement Project - Replace rusted and damaged storm drain pipes throughout the City as budget allows. No grant funding for this project but City Manager is reviewing available grants to see if any are available.)*

5. Purchasing the two screens for the Commission Room.

*Per LS Director Legare – scheduled for March 2015.*

6. New carpet for Leisure Services Auditorium.

*Per LS Director Legare – scheduled for April 2015.*

7. Survey, appraisal of lot on Poston Dr.

*The City would not need appraisal to abandon the Right-of-way. We have a good legal description of the R.O.W. so a survey would not be needed either. The current issue is the ownership of the R.O.W. We are working to determine the ownership with City and County staff. Once the ownership is determined, it may come back for request to be abandoned.*

8. Lt. Branning bringing in display to show patrol zones in Callaway.

*Lt. Branning will give a power point presentation at the February 10, 2015 meeting addressing this item.*

9. [Ordinance/Statue] on RV's, boats in yards. Mayor ask CM to have Code Enfor. Officer research and provide response.

*Staff has researched what other local municipalities and the county require concerning cars, boats, and R.V's parked in the front yard.*

- a) *Bay County has no restrictions.*
- b) *Parker has no restrictions.*
- c) *Springfield has no restrictions.*
- d) *Panama City does not restrict cars, but they do strongly encourage that all R.V's and boats be in the side or rear yard. It was mentioned that officer discretion is used in certain areas where it is not possible to get the R.V or boat in the rear or side yard.*

*Callaway Code Enforcement does not receive many complaints of cars or boats parking in the front yard. R.V.s are to be parked in the side or rear yard. In general, there is good cooperation with R.V. owners. Usually the owners of larger R.V.'s like to park in a storage area. In some neighborhoods there may be private deed restrictions or covenants that are not enforced by the City.*

10. Meeting with Springbrook to assess city needs and schedule training.

*The Springbrook proposal includes a 1-day site visit from a consultant (\$1,400), their business process analysis (\$1,750) and a related conference call (\$450). Training and/or implementation recommendations are estimated to cost between \$2,800 and \$7,000 for 2 to 5 days, onsite. Due to the new Finance Director's familiarity with software implementation and processing, and other organizational changes, numerous improvements in business processes and software setup have been noted recently and are being addressed. There is no staff time available to commit to the Springbrook evaluation. Although the service could prove valuable, it should be done after specific needs allowing for the most improvement have been identified. Solutions to alleviate and even out the workload in order to allow for time for process analysis are currently being addressed. Also, completing the audit and CAFR, and bringing the financial records and reports up-to-date are more urgent priorities for the Finance Director position which has been filled for 2 1/2 months. The elimination of customer service training and software conference attendance from the budget can also contribute to lost efficiencies and to not keeping up with available software improvements.*

*Finance Director Waldrip would like to suggest doing a needs assessment evaluation done by an independent consultant and not the vendor performing the services.*

11. Determining what personnel has authority to call and/or meet with Labor and City Attorneys.

*Meeting and discussions with the City Attorney and labor attorneys shall be primarily with the City Manager. Department Heads and authorized employees may speak with the attorneys after receiving permission from the City Manager. Elected Officials and other charter officers of the city are not subject to this rule.*

12. Number of residents required to be connected to city Sewer and if all are connected.

*See Item #3 and response.*

13. FEMA for funding to help purchaser additional [defibrillators] for Fire Dept.

*The Fire Department currently operates with two AED's. We have completed three applications through Firehouse Subs Restaurants for the AED's. We worked with the Leary Firefighters Foundation for the AED's, but there has been no response yet. We also got with the EMS coordinator with Gulf Coast Hospital guidance regarding funding for AED's. We will complete another AFG grant when it opens back up. These types of grants are very competitive, but fire staff is being persistent. The cost of an AED is around \$2200.00*

14. Placing 2 household members on Water Bill.

*Utility accounts are established in one name to prevent problems with account authorizations and account changes, and due to collection issues. Utility billing has not experienced many situations where this has been a problem.*

15. Vacant parcel behind City Hall priced at \$25,000 that Realtor had contacted CM about.

*Per CM Fuller – Property no long on the market and would not have an immediate need for it.*

16. Final amount paid to Ms. Bennett for assistance in completing budget.

a) 10/13/2014	Ck# 17293	\$2,000
b) 10/23/2014	Ck#17333	\$ 450

17. Project Status Report to bring before Commissions.

*Status Report needs updating including information contained herein.*

18. Fuel Use oversight policies.

*Per PW Director Johnson – Each employee has their own personal key to access fuel, each vehicle has its own I.D. key, and we also have a different fuel vendor.*

19. When monthly financials will be furnished Commissioners.

*Our goal is to provide a FY2014 preliminary and 1<sup>st</sup> quarter 2015 financial reports in February. City Manager and Finance Director have made audit preparation work the highest priority, but this can be changed if needed by Commission.*

20. Establishing financials for separate revenues and expenses at Sandy Creek.

*Direct and indirect charges are not segregated in the budget or when posting expenditures for the Sandy Creek area. Financial statements cannot be generated at a level below that of recording transactions. Capital expenditure, maintenance and utility accounts for Sandy Creek have been estimated separately. The status of assessment collections can be reported.*

21. Final annual charges by Bay County Animal Control for 2014.

*Total expenditures for animal control services in FY14 were \$108,463.*

22. Automated transcribing minutes training.

*City purchased transcribing software in May 2014. City Clerk and Commission Pelletier are scheduled to begin training on January 28 and 29.*

23. Double salaries paid for Commissioner(s) after election.

*Issue was noted during prior election and adjustment has been made.*

24. Contract Spreadsheet.

*See attached Contract Spreadsheet.*

CONTRACTS/AGREEMENTS /INTERLOCALS	COMPENSATE OR EXPENSE	DEPT	CONTACT	EFFECTIVE DATE	TERM	END DATE
Bay County						
Animal Control	\$135,095	Planning	Bay County Animal Control 6401 Bayline Dr. Panama City, FL 32404	February 24, 2014	one (1) year period from effective date and shall automatically renew for successive one year terms	
EMS	N/A	Fire Dept.	County Manager 840 W 11th St Panama City, FL 32401	November 1, 2013	one (1) year period from effective date and shall automatically renew for subsequent one year terms	
Fire Services Protection	Compensate \$115,003	Fire Dept.	Fire Services 700 Hwy 2300 Southport, FL 32409	October 1, 2013	Automatic renew on each year of the anniversary date	
Water Service				April 9, 2002	30 years	
GIS	\$32,000	City Wide	840 W 11th St, Panama City, FL 32401	October 1, 2003	annual	
Law Enforcement :	\$1,406,219	City Manager	3421 Florida 77, Panama City, FL 32404	October 1, 2013	Will renew for 1 additional year on October 1, 2014	September 30, 2015
FDOT						
Traffic Signal	Compensate \$10,623.50	City Manager	FDOT Tammy Melchi 1074 US Hwy 90 E Chipley, FL 32428	July 1, 2011		June 30, 2015
State Highway Lighting and Maintenance	Compensate \$10,569			July 1, 2011		
Roadside Maintenance	Compensate \$10,943.34	Leisure Services	FDOT Thakon Hobbs 1074 US Hwy 90 E Chipley, FL 32428	July 1, 2013	expired	June 30, 2014

7th St. Sidewalk Project (PRU) (design)	\$20,457.00	City Manager	Preble-Rish, Inc.	January 13, 2014	N/A	
(Construction) of 7th St. Sidewalk Project (Waiting on response from Tina for executed copy)	\$115,021.00	Planning/Public Works	FDOT	May 1, 2015	N/A	December 31, 2015
Robert's & Robert's (paving)	\$100 per ton	Public Works	1741 N Sherman Ave. PC, FL 32405 (850) 215-1108	April 9, 2014	expired	September 30, 2014
LAP Agreement: Bob Little Sidewalk/Bike Lanes (design)	Compensate \$40,000	Public Works	FDOT	October 22, 2014	N/A	June 30, 2015
<b>Airforce</b>						
Static Display Program	\$358,000 (insurance)	Leisure Services	Patricia A. Ochs NM USAMUX 1100 Spaatz St. Wright-Patterson AFB OH 45433-7102	April 1, 2014	1 Year	March 31, 2015
Mutual Aid Fire Protection and Hazardous Materials Incident Response - Tyndall	N/A	Fire Dept.		May 1, 2003	annual	
<b>Finance/ Utility Billing</b>						
CB Services (Collections)	30 % on all accounts collected	Utility Billing		September 23, 2014	30 days written notice to terminate	
Springbrook Web Payments	\$3,711.60	Utility Billing				
Warren Averett - Evaluate Billing	\$15,000	Finance	(850) 244-5121	September 8, 2014	Complete	
Warren Averett - Audit	\$46,350	Finance	(850) 244-5121	July 23, 2013 - FY12	3 years	July 23, 2015
Warren Averett - Accounting Services	\$105 per hour for 80 hours total	Finance	(850) 244-5121	July 24, 2014 - FY13		
Warren Averett - Terms of Engagement	\$46,350 (\$51,500 if a Federal Single Audit is required)	Finance	Angela D. Balent, CPA (850) 275 1224	July 1, 2014 - FY 14	September 30, 2014 - October 1, 2015	September 30, 2015
Bluefin Payment Services	N/A	Utility Billing	1-800-675-6573	October 9, 2014	3 years	

Municode	\$2,794.84 - Estimate for Ordinances 927, 928, 929, 930, 931, 932, 933 & 934	Utility Billing	1-800-262-2633	October 9, 2009	renew for consecutive one year periods	
Wow/ Knology	3 months average of \$8800.00 (Oct - Dec 2014)	City Hall	(850)-215-1000 235 W. 15th St. Panama City, FL 32401	February 28, 2013	3 yr term	February 28, 2016
Xfinity/ Comcast Cable - Franchise Fee	\$50,000.00	City Hall	Comcast Cable Co. 2916 Penn Ave Suite D Marranna, FL 32446 (800) 268-2278	January 11, 2000		
Neopost	\$359.52 annual rental	City Hall	Accurate Control Equipment P.O. Box 533 Fairhope, AL 36533	March 19, 2012		
Xerox	\$348.09 monthly	City Hall	(850) 763-8997	May 26, 2011	48 months	May 26, 2015
Neopost	\$56.00 monthly	Postage Machine	1-800-277-8223	March 14, 2012	36 months	March 14, 2015
Laserfiche	\$2,026.50	City Hall	(850) 576-3172	September 16, 2003	renew for consecutive one year periods	
MerchantPartners (ACH Service)		Utility Billing	(310) 856-2323		shall remain in effect until either party has terminated this Agreement upon 30 days notice	
<b>Fire Department</b>						
Statewide Mutual Aid Agreement (FEMA)	N/A	Fire Dept.		July 30, 2001	annual	
Healthy Start/Car Seats Installation	N/A	Fire Dept.	Healthy Start Cherry St. Panama City FL 32401 872-4130	May 1, 2014	1 year	May 1, 2015
Mutual Aid Springfield Fire Department	N/A	Fire Dept.	Springfield 3529 E Third St. Springfield, FL 32401 872-7570	May 8, 2003	annual	

Mutual Aid Kinard Fire Department	N/A	Fire Dept.	Kindard Volunteer Fire Department 4966 SW John Daniels Rd. Kinard, FL 32449	November 17, 2008	annual	
<b>Planning/ Building Dept</b>						
ADT - Security	\$103.29 monthly	City Hall Planning		June 24, 2010	5 years	June 24, 2015
EPCI	compensate 10% of funds collected for services rendered	Building Department	(850) 874-9347	July 31, 2001	renew for consecutive one year periods	
<b>City Wide</b>						
EVD - Glenn Taylor - IT	\$2000.00 monthly	City Wide	(850) 348-1089	January 22, 2014	30 days written notice to terminate	
Springbrook	\$10,040	City Wide	(716) 510-4157			
Civic Plus - website	\$7,850	City Wide	1-888-228-2233	December 3, 2009	36 months	Expired
Preble - Rish Inc.-City's Engineer	hourly rates apply	City Wide	(850) 522-0644	January 13, 2012	3 yr term	January 13, 2015
Harrison Sale McCloy	\$9100 retainer	City Wide	(850) 769-3434			
Highwood Tower - SBA	compensate \$9600	Ground Lease (cell tower) at the water storage tank	SBA 5900 Broken Sound Pkwy. Boca Raton FL 33487	September 24, 2010	5 years with the option to renew for 4 additional 5 year terms.	September 23, 2015
Redmond's (grinding)		Public Works	(850) 258-6423	July 12, 2012	renew for consecutive one year periods	
Underwood Services (janitorial)	\$1061 monthly	City Hall, PW, Leisure Services	3010 Stanford Rd PC FL 32405	January 2, 2013	renew for consecutive one year	January 2, 2015
<b>Unifirst</b>						
NW/PW/MID - Stormwater Improvement Project (Grant)	Compensate \$705,218	Public Works	(850) 539-5999	February 25, 2014		September 30, 2015
Cobb Wynn	\$425 weekly	Leisure Service				
Concessionaire	\$2,000	Leisure Services	Callaway Recreational Complex Callaway Park Way	February 16, 2012	(1) yr commencing on the date of execution and renewed for three additional (1) yr terms	March 1, 2016
Waste Management (City dumpsters)	\$453.58 monthly	City Hall	6319 E. Hwy 22 Panama City, FL 32404 (850) 874-1019	January 28, 2005		

Creative Outdoor Trolley Bench		Public Works	Martin Mency 151 NIE 166 ST Miami, FL 33162 (904)-537-0322	February 14, 2012	(15) yr term and may be renewed at the discretion of the Parties for an additional (10) yr period	December 31, 2024
Royal American Construction Group-Lift Station CA-2 (Waiting on response from Tina for executed copy)	\$114,774.00	Public Works	Joey Chapman 1002 W 23rd St. Ste 400 Panama City, FL 32405	December 18, 2014	Complete Project within 90 days, if not complete within 30 days thereafter, unless extended by the Contract Documents.	
HD Supply Waterworks (have RFP Proposal, waiting for executed contract from John Wood, picking up RFP to sign and send to his legal dept. on Jan. 23, 2015)	\$1,495,090.00	Public Works	HD Supply Waterworks, Ltd. 8782 Paul Starr Dr. Pensacola, FL 32514	Bid date: December 2, 2014 - Approved on December 9, 2014 Comm. Mtg.		
Water Meter Piggyback Contract (Waiting on response from Tina for executed copy)		Public Works				
Gulf Power Franchise Agreement (CM Fuller delivered to Gpower Nov. 14, 2015 & told them we needed it back ASAP, per CM Fuller he got a call back from John Ed McDanals to have executed copy by Jan. 23, 2015)				Approved Dec. 9, 2014 Comm. Mtg.	(15) year term	January 1, 2030
Teco Gas	6% of the Company's Gross Revenue	City Hall	Teco Propane 301 Maple Avenue, Panama City, FL 32401	May 9, 2000	(15) year term	May 1, 2015



**City of Callaway Board of Commissioners  
Agenda Item Summary**

January 27, 2015

Final Reading of Ordinance No. 952 – Dissolving the Bridge Harbor Community Development District (CDD)

**1. PLACED ON AGENDA BY:**

J. Michael Fuller, City Manager

**2. AGENDA:**

PRESENTATION	<input type="checkbox"/>
PUBLIC HEARING	<input type="checkbox"/>
CONSENT	<input type="checkbox"/>
REGULAR	<input checked="" type="checkbox"/>

**3. IS THIS ITEM BUDGETED (IF APPLICABLE)?:** Yes  No

N/A

**4. BACKGROUND: (WHY, WHAT, WHO, WHERE, WHEN, HOW, & IDENTIFY ALL ATTACHMENTS)**

In 2007, the Bridge Harbor Investment Company, LLC filed a petition with the City of Callaway to establish a community development district pursuant to Chapter 190, F.S. Ordinance No. 847 was adopted by the Commission creating the Bridge Harbor Community Development District (CDD).

On January 6, 2015, Mr. Bob Hughes and Mr. Paul Blay filed a petition to City on behalf of the Bridge Harbor Community Development District. This petition requests that the City Commission adopt an ordinance dissolving the CDD in accordance with Section 190.046(9), F.S. The CDD has no outstanding financial obligations, and no operating or maintenance responsibilities.

Enclosed is Ordinance No. 952 granting the petition and dissolving the Bridge Harbor CDD.

**Attachments**

- Ordinance No. 952
- Petition to Dissolve

**5. REQUESTED MOTION/ACTION:**

Staff recommends that the Commission approve Ordinance No. 952 Dissolving the Bridge Harbor Community Development District (CDD).

**ORDINANCE NO. 952**

**AN ORDINANCE OF THE CITY OF CALLAWAY, FLORIDA, GRANTING BRIDGE HARBOR COMMUNITY DEVELOPMENT DISTRICT'S PETITION TO DISSOLVE; DISSOLVING THE DISTRICT; REPEALING ORDINANCE NO. 847 AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith; AND PROVIDING AN IMMEDIATELY EFFECTIVE DATE.**

WHEREAS, in 2007, Bridge Harbor Investment Company, LLC, filed a petition with the City Commission pursuant Chapter 190, Florida Statutes, to establish a community development district; and

WHEREAS, the City Commission conducted a public hearing on August 14, 2007, and, after having considered the petition and record of the hearing, adopted Ordinance No. 847 creating the Bridge Harbor Community Development District; and

WHEREAS, in or around December 2014, the Bridge Harbor Community Development District filed a petition with the City Commission to dissolve the District in accordance with Section 190.046(9), Florida Statutes, as the District has no outstanding financial obligations and no operating or maintenance responsibilities; and

WHEREAS, the City Commission, having reviewed and considered the petition to dissolve, a resolution of the District's Board of Supervisors, and applicable law, hereby grants the petition to dissolve the District with the adoption of this Ordinance.

NOW, THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF  
CALLAWAY, FLORIDA:

SECTION 1. Pursuant to Section 190.046(9), Florida Statutes, the City  
Commission of the City of Callaway grants the Petition to Dissolve Bridge Harbor  
Community Development District, attached hereto and incorporated herein as Exhibit  
A, and the District is hereby dissolved.

SECTION 2. Ordinance No. 847 and all ordinances or parts of ordinances in  
conflict herewith are hereby repealed to the extent of such conflict.

SECTION 3. This ordinance shall take effect immediately upon passage.

PASSED, APPROVED AND ADOPTED at the regular meeting of the City  
Commission of the City of Callaway, Florida, this \_\_\_\_ of January, 2015.

**CITY OF CALLAWAY, FLORIDA**

\_\_\_\_\_  
Thomas W. Abbott, Mayor

ATTEST:

\_\_\_\_\_  
Sandra B. Hirth, City Clerk

**BEFORE THE BOARD OF THE CITY COMISSIONERS OF THE CITY OF  
CALLAWAY, FLORIDA**

**PETITION TO DISSOLVE BRIDGE HARBOR COMMUNITY DEVELOPMENT  
DISTRICT**

Petitioner, Bridge Harbor Community Development District, a community development district established by Ordinance Number 847 by the City Commission of the City of Callaway on August 14, 2007 pursuant to the "Uniform Community Development District Act of 1980," Chapter 190 of Florida Statutes, (hereinafter "Petitioner") hereby petitions the Board of the City Commissioners of the City of Callaway to dissolve the established Bridge Harbor Community Development District (hereinafter "CDD" or "District"). In support of this petition, Petitioner states:

1. **Establishment.** The District was established by Ordinance Number 847 by the Code of Ordinances of the City of Callaway, Florida, effective August 14, 2007 pursuant to the "Uniform Community Development District Act of 1980," Chapter 190 of Florida Statutes. The District is approximately 157 acres in size and is located entirely within the unincorporated of Callaway, Florida. A location map and a metes and bounds description are attached as **Exhibit 1**.

2. **Authority.** Section 190.046(9) of the Florida Statutes provides that:

"If a district has no outstanding financial obligations and no operating or maintenance responsibilities, upon the petition of the district, the district may be dissolved by a nonemergency ordinance of the general-purpose local governmental entity that established the district or, if the district was established by rule of the Florida Land and Water Adjudicatory Commission, the district may be dissolved by repeal of such rule of the commission."

3. Here, the District does not presently have any outstanding financial obligations and does not have any operating or maintenance responsibilities. For example, the District does not presently own any real property or infrastructure improvements; the District has never issued bonds, notes or other debt instruments; and the District has never levied debt service special

assessments levied against the assessable real property located within the District. Further, as an organizational matter, the District does not anticipate providing any future planned community development district services or improvements, or providing any financing for the same.

4. Instead, any remaining expenses associated with the this dissolution or the continued administrative operation of the District during the pendency of this dissolution are being funded under an agreement between the District and HCI Bridge Harbor, LLC (“Developer”), the majority landowner within the District. As such, all outstanding obligations have been paid.

5. Accordingly, on December 3rd, 2014, the District’s Board of Supervisors, during a duly noticed public meeting, adopted Resolution 2015-01, which among other things authorized a Plan of Dissolution that allows for the orderly dissolution of the District, and which directed the District Manager and the District Counsel to submit Resolution 2015-01 and this petition to the Board of City Commissioners. A copy of the notice of the December 3rd, 2014 public meeting, together with a copy of the draft minutes from the public meeting, is attached hereto as Exhibit 2, and a copy of Resolution 2015-01 is attached hereto as Exhibit 3 with the Plan of Dissolution attached as Exhibit A to Resolution 2015-01.

6. As part of Resolution 2015-01, the District’s Board of Supervisors determined that it is in the best interest of the District and the owners of the lands located within the District that the District be dissolved. The Board further found that any future planned community development services to be provided to the lands within the District may be provided by and through the Developer, a community association or other means in a manner as efficiently as the District; at a level of quality equal to the level of quality to be delivered to the users of those services by the District; and at an annual cost that would be equal to or lower than the annual assessment amount that could be levied by the District. Additionally, the dissolution of the District will have no

negative or adverse impacts on any landowners within the District, or any third parties. Petitioner has obtained written consent of the owners of one hundred percent (100%) of the real property located within the District, as evidenced by Exhibit 4 attached hereto. The proposed ordinance dissolving the District will not have an adverse impact on small business, and is not likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within one (1) year after the implementation of the ordinance.

7. Supervisors. The current members of the District's Board of Supervisor's are:

Mike Harper  
735 W. 11<sup>th</sup> Street  
Panama City, FL 32401

Michael Hunnicut  
8317 Front Beach Road, Suite #28  
Panama City Beach, FL 32407

Sean Peluso  
643 16<sup>th</sup> Street  
Panama City Beach, FL 32413

Craig Thurmond  
PO Box 15007  
Panama City, FL 34206

Each of the above named supervisors will continue to serve until such time as the District is dissolved by Ordinance of the Board of City Commissioners or until any successors may be elected or appointed.

8. Official District Records. Upon adopting of the ordinance dissolving the District, the District will cause all official records of the District to be transferred to the Florida Secretary of State in accordance with Florida public record laws.

9. Notice of Dissolution. Upon adoption of the ordinance dissolving the District, the District

will cause notice of adoption of said ordinance to be transmitted to the Florida Department of Economic Opportunity, and will further cause to be recorded in the Official Records of the City of Callaway Florida, a Notice of Dissolution.

10. District's Representatives, Pursuant to Resolution 2015-01 of the District, Barron & Redding, P.A. has been authorized to represent the District with respect to this Petition. Copies of all correspondence and official notices should be sent to:

J. Robert Hughes, Esq. and  
Paul A. Blay, Esq.  
Barron & Redding, P.A.  
220 McKenzie Ave.  
Panama City, Florida 32401

WHEREFORE, because the District has no outstanding financial obligations and no operating or maintenance responsibilities and accordingly has met the requirements for dissolution as provided in Section 190.046(9), *Florida Statutes* (2014), and for the other reasons herein stated, Petitioner respectfully requests the Board of City Commissioners of the City of Callaway, Florida to:

- a. Consider this Petition and provide for notice of proposed ordinance to dissolve the District and schedule a public hearing thereon, if requested, in accordance with the requirements of chapter 120, Florida Statutes;
- b. Grant the petition and adopt the ordinance dissolving the District pursuant to Section 190.046(9), Florida Statutes;
- c. Grant other such relief as appropriate.

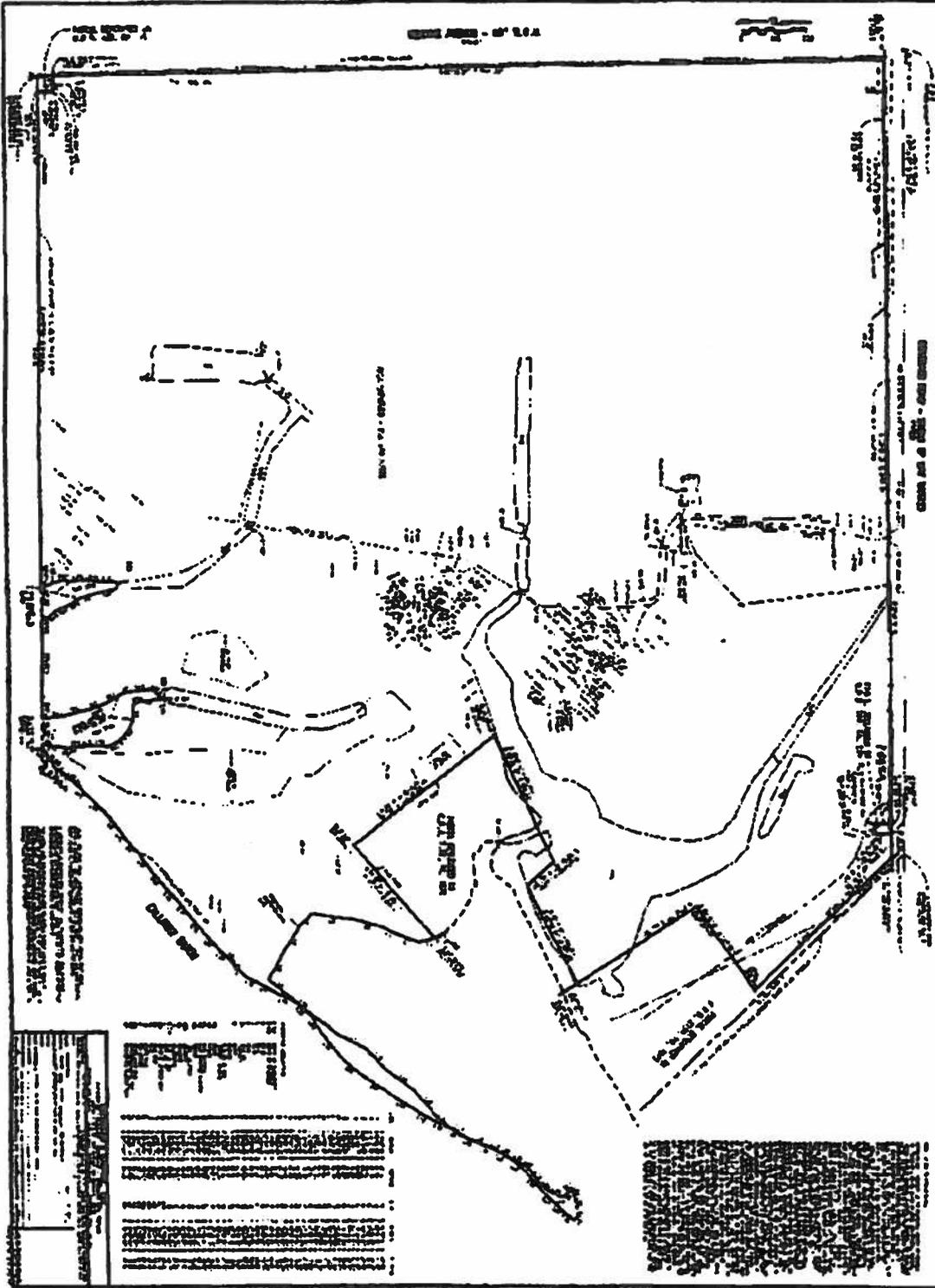
REPECTFULLY SUBMITTED, this \_\_\_\_ day of December, 2014.

# **Exhibit 1**

**BOUNDARY SURVEY**  
**BRIDGE HARBOR**  
 CALLAWAY, FLORIDA

**BUCHANAN & HARPER, INC.**  
 Engineering - Planning - Surveying  
 735 W. 11th Street - Panama City, FL 32401  
 Ph: (850) 763-7427 - Fax: (850) 784-2120

Scale: 1"=500'  
 Job No.: 9217  
 Date: 6/23/06  
 Exhibit 9



**DESCRIPTION:** COMMENCE AT THE NORTHWEST CORNER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 13 WEST, BAY COUNTY, FLORIDA. THENCE SOUTH 89 DEGREES 01 MINUTE 55 SECONDS EAST ALONG THE NORTH LINE OF SAID SECTION 20 FOR 2532.74 FEET TO THE MOST WESTERLY CORNER OF THE PARCEL DESCRIBED IN BAY COUNTY OFFICIAL RECORDS BOOK 974, PAGE 1051; THENCE SOUTH 44 DEGREES 01 MINUTE 55 SECONDS EAST ALONG THE WESTERLY LINE OF SAID PARCEL FOR 53.63 FEET TO THE INTERSECTION OF SAID WESTERLY LINE WITH THE SOUTHERLY LINE OF BOATRACE ROAD; THENCE NORTH 89 DEGREES 29 MINUTES 18 SECONDS WEST ALONG SAID SOUTHERLY LINE OF BOATRACE ROAD FOR 28.06 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 44 DEGREES 01 MINUTE 55 SECONDS EAST PARALLEL WITH SAID WESTERLY LINE FOR 598.48 FEET; THENCE SOUTH 57 DEGREES 19 MINUTES 33 SECONDS WEST FOR 317.00 FEET; THENCE SOUTH 32 DEGREES 40 MINUTES 27 SECONDS EAST FOR 442.95 FEET; THENCE SOUTH 64 DEGREES 47 MINUTES 19 SECONDS WEST FOR 344.63 FEET; THENCE NORTH 40 DEGREES 44 MINUTES 08 SECONDS WEST FOR 112.68 FEET; THENCE SOUTH 65 DEGREES 37 MINUTES 46 SECONDS WEST FOR 439.35 FEET; THENCE SOUTH 38 DEGREES 09 MINUTES 45 SECONDS EAST FOR 543.72 FEET; THENCE NORTH 51 DEGREES 50 MINUTES 15 SECONDS EAST FOR 380 FEET, MORE OR LESS, TO THE EDGE OF CALLAWAY BAYOU; THENCE SOUTHWESTERLY, SOUTHEASTERLY, NORTHEASTERLY AND SOUTHWESTERLY ALONG THE EDGE OF SAID BAYOU FOR 1664 FEET, MORE OR LESS, TO THE SOUTH LINE OF GOVERNMENT LOT 2, SAID SECTION 20; THENCE NORTH 89 DEGREES 02 MINUTES 26 SECONDS WEST ALONG SAID SOUTH LINE FOR 30.02 FEET, MORE OR LESS, TO THE EASTERLY EDGE OF A TRIBUTARY OF CALLAWAY BAYOU; THENCE NORTHERLY, WESTERLY AND SOUTHERLY ALONG THE EDGE OF SAID TRIBUTARY FOR 848 FEET, MORE OR LESS, TO SAID SOUTH LINE OF GOVERNMENT LOT 2; THENCE NORTH 89 DEGREES 02 MINUTES 26 SECONDS WEST ALONG SAID SOUTH LINE FOR 330.80 FEET, MORE OR LESS, TO THE EASTERLY EDGE OF A TRIBUTARY OF CALLAWAY BAYOU; THENCE NORTHERLY, WESTERLY AND SOUTHERLY ALONG THE EDGE OF SAID TRIBUTARY FOR 525 FEET, MORE OR LESS, TO SAID SOUTH LINE OF GOVERNMENT LOT 2; THENCE NORTH 89 DEGREES 02 MINUTES 26 SECONDS WEST ALONG SAID SOUTH LINE FOR 1569.94 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF THE PARCEL DESCRIBED IN BAY COUNTY OFFICIAL RECORDS BOOK 828, PAGE 15; THENCE NORTH 00 DEGREES 02 MINUTES 20 SECONDS EAST ALONG THE EAST LINE OF SAID PARCEL FOR 50.00 FEET; THENCE NORTH 89 DEGREES 02 MINUTES 26 SECONDS WEST ALONG THE NORTH LINE OF SAID PARCEL FOR 50.00 FEET TO THE EAST RIGHT OF WAY LINE OF BERTHA AVENUE (60-FOOT RIGHT OF WAY); THENCE NORTH 00 DEGREES 02 MINUTES 20 SECONDS EAST ALONG SAID EAST RIGHT OF WAY LINE FOR 2531.74 FEET TO THE SOUTH LINE OF BOATRACE ROAD; THENCE SOUTH 89 DEGREES 32 MINUTES 58

**LEGAL DESCRIPTION**

**BRIDGE HARBOR**

**CALLAWAY, FLORIDA**

**BUCHANAN & HARPER, INC.**  
 Engineering ~ Planning ~ Surveying  
 735 W. 11th Street ~ Panama City, FL 32401  
 Ph: (850) 763-7427 ~ Fax: (850) 784-2120

Scale: 1"=500'

Job No.:9217

Date: 6/23/06

Exhibit 10

# **Exhibit 2**

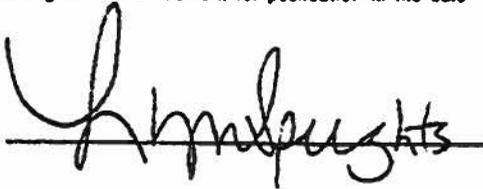
# Halifax Media Group

PUBLISHERS OF THE NEWS HERALD  
Panama City, Bay County, Florida  
Published Daily

## State of Florida County of Bay

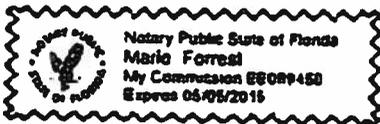
Before the undersigned authority appears Lynda Speights, who on oath says that she is Legal Advertising Representative of The News Herald, a daily newspaper published at Panama City, in Bay County, Florida, that the attached copy of advertisement, being a Legal Advertisement # 34503 in the matter of **NOTICE OF SPECIAL MEETING- Board of Supervisors in the Bay County Court**, was published in said newspaper in the issue of **November 14, 2014.**

Affiant further says that The News Herald is a direct successor of the Panama City News and that this publication, together with its direct predecessor, has been continuously published in said Bay County, Florida, each day (except that the predecessor, Panama City News, was not published on Sundays), and that this publication together with its said predecessor, has been entered as periodicals matter at the post office in Panama City, in said Bay County, Florida, for a period of 1 year next preceding the first publication of the attached copy of advertisement, and affiant further says that he or she has neither paid nor promised any person, firm or corporation any discount rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper



State of Florida  
County of Bay

Sworn and subscribed before me this 14th day of November, A.D. 2014, by **Lynda Speights, Legal Advertising Representative of The News Herald** who is personally known to me or has produced N/A as identification



  
Notary Public, State of Florida at Large

### 34503 PUBLIC NOTICE

#### NOTICE OF SPECIAL MEETING OF THE BOARD OF SUPERVISORS OF THE BRIDGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

Notice is hereby given to the public and all interested parties with Bridge Harbor Community Development District (the "District") the location of which is generally described as comprising a parcel or parcels of land containing approximately 164.4 acres located west of East Bay east of S Berne Avenue south of East Race Road and north of Forsythe Drive, within the City of Calumet, Florida, advising that a special meeting of Board of Supervisors will be held for the purpose of considering certain matters of the Board, and other such business which may properly come before the Board.

DATE: Oct. 3 2014  
TIME: 2:00 p.m. (EST)  
PLACE: 725 W 11th St.  
Panama City, FL 32401

The Board of Supervisors meeting is open to the public and will be conducted in accordance with the provisions of Florida law. The meeting may be continued to a date, time, and place to be specified on the record at such meeting. A copy of the agenda for the meeting may be obtained from 250 Wokee Springs Road, Suite 2000, Longwood, Florida 32778, or by calling (407) 629-6900. There may be an occasion where one or more supervisors will participate by telephone.

Any person requiring special accommodations to participate in these meetings is asked to contact the District Office at (407) 629-6900, at least 48 hours before the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at (800) 855-8770 for aid in contacting the District Office.

A person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that such person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.

Kevin Greer  
District Manager  
Pub. No. 14, 2014

**Bridge Harbor Community Development District**

A meeting of the Board of Supervisors of the Bridge Harbor Community Development District was held on Wednesday, December 3 at 2:00 p.m. in the offices of Buchanan & Harper, Inc.

Present and constituting a quorum were:

Mike Hunnicut  
Mike Harper  
Sean Peluso

Board Member  
Board Chairman  
Board Member

Also present were:

Tucker Mackie  
Paul Blay  
Kevin Grace

District Counsel-by telephone  
HCI Bridge Harbor, LLC  
District Manager-by telephone

**FIRST ORDER OF BUSINESS**

**Roll Call**

Michael Harper called the meeting to order and the names of those attending were announced.

**SECOND ORDER OF BUSINESS**

**Board of Supervisors  
Appointments**

**A. Reappointment of Mike Hunnicut**

Ms. Tucker stated that the board needed to reappoint Mike Hunnicut to the Board of District Supervisors for the Bridge Harbor Community Development District. Mike Hunnicut will occupy seat two, term ending in 2018.

**ON MOTION by Mr. Harper seconded by Mr. Peluso  
with all in favor, Mr. Hunnicut is reappointed to seat two  
on the Board of District Supervisors.**

**B. Reappointment of Sean Peluso**

Ms. Tucker stated that the board needed to reappoint Sean Peluso to the Board of District Supervisors for the Bridge Harbor Community Development District. Mike Hunnicut will occupy seat four, term ending in 2018.

**ON MOTION by Mr. Harper seconded by Mr. Hunnicut with all in favor, Mr. Peluso is reappointed to seat four on the Board of District Supervisors.**

**C. Appointment of Martin Gawronski**

Ms. Mackie asked if Martin Gawronski was present at the meeting. Mike Harper said that Martin Gawronski was not attending the meeting. Ms. Mackie stated that the Board should forgo appointing Martin Gawronski to the Board, since the goal of the meeting is to begin dissolving the Bridge Harbor Community Development District.

**THIRD ORDER OF BUSINESS**

**Consideration of Dissolution of the District**

Ms. Mackie stated that item three is the primary reason we are meeting today and it is to address issues associated with dissolving the community development district. Ms. Mackie, District Counsel will walk the Board through the individual items.

**D. Presentation of the Letter Requesting Dissolution**

Ms. Mackie stated that the first item regarding dissolution is the presentation of the letter requesting dissolution. The developer has reevaluated the financing mechanisms, which it was intending to fund infrastructure within the District. Given current economic conditions and the fact that the planned community development improvements can be provided by the developer and/or landowners at a future time at equal or lesser cost and at an equal quality compared to the provision by the District, the developer is requesting that the Board consider the dissolution of the District.

The remainder of the agenda items address how the District would seek dissolution. The District was established by passage of an ordinance by the City of Callaway, therefore, the District needs to petition the City of Callaway for dissolution. Given that the District doesn't own or maintain any improvements, that the District has not issued any bonds to fund the infrastructure within the District nor has it levied any assessments, the dissolution process is fairly straightforward, however, I can go through these items individually unless the Board members have any initial questions regarding dissolution.

**E. Addressing Questions by the Board**

Mr. Hunnicut stated that he had a few questions before going through the items for dissolution. When is the business year for the District for which accounting must be performed for the District and will accounting for the district be pro-rata or will it last through the remainder of the business year after the District is terminated? Ms. Mackie stated that she believes the business year ends for the District at the end of September, but the accounting continues only until the District is terminated. The District will be terminated when Barron & Redding, counsel for the developer, present a petition of dissolution to the City of Callaway and the City of Callaway passes an ordinance to dissolve the District. At this point, Barron & Redding should record the notice of dissolution.

**F. Presentation of Form of Consent Joinder of Landowner to Dissolution of the District**

Ms. Mackie stated that item E is the form of consent that we would be looking for landowners within the district to execute. It is something that will be attached to the petition once it is filed with the City of Callaway. There is nothing the Board needs to approve here, we are just providing this information for informational purposes.

**G. Consideration of Resolution 2015-01 Dissolving the District**

Ms. Mackie stated that item F is consideration of Resolution 2015-01 dissolving the District and basically this resolution sets forth reasons why the District is considering dissolution. It requests that a petition be filed with the City of Callaway and it attaches its plan of dissolution as an exhibit to this resolution. As I stated previously, the District doesn't have any infrastructure that it owns or maintains so it will be fairly straightforward and the plan of dissolution is fairly brief. The current staff that provides services to the District is District Counsel and the District Manager and they would be retained for the purposes of finalizing the dissolution and the plan of dissolution provides for payment of those services until the District is dissolved.

**ON MOTION by Mr. Harper seconded by Mr. Hunnicut with all in favor Resolution 2015-01 was approved.**

**H. Consideration of Funding Agreement between Bridge Harbor Development District and HCI Bridge Harbor, LLC**

Ms. Mackie stated that item G is consideration of the funding agreement with HCI Bridge Harbor, LLC and the District. Basically, this just provides for the funding of the District through dissolution. It is fairly straightforward, however, I would be happy to answer any of questions the Board may have. The developer has agreed to fund those expenses as they relate to the dissolution.

**ON MOTION by Mr. Harper seconded by Mr. Peluso with all in favor the dissolution agreement with HCI Bridge Harbor, LLC was approved.**

**I. Approval of Forms of Professional Agreement and Release for District Counsel and District Manager**

Ms. Mackie said that the next order of business is the forms of agreement and release. As I stated when speaking about the resolution and the plan of dissolution, the District will enter into these agreements and releases once District staff has finalized everything it needs to as it relates to dissolution.

**ON MOTION by Mr. Harper seconded by Mr. Hunnicut with all in favor of the agreement and releases for District Counsel and District Manager were approved.**

**FOURTH ORDER OF BUSINESS  
Adjournment**

**ON MOTION by Mr. Harper seconded by Mr. Hunnicut  
with all in in favor the meeting adjourned at 2:40 p.m.**

A handwritten signature in black ink, appearing to be "Hunnicut", written over a horizontal line.

**Chairman**

# **Exhibit 3**

**RESOLUTION 2015-01**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BRIDGE HARBOR COMMUNITY DEVELOPMENT DISTRICT ADOPTING A PLAN OF DISSOLUTION; REQUESTING THAT THE CITY COMMISSION OF THE CITY OF CALLAWAY, FLORIDA, ADOPT A NON-EMERGENCY ORDINANCE TO PROVIDE FOR THE DISSOLUTION OF THE BRIDGE HARBOR COMMUNITY DEVELOPMENT DISTRICT; DIRECTING THE DISTRICT MANAGER AND BARRON & REDDING, P.A., TO TAKE APPROPRIATE ACTION TO DISSOLVE THE BRIDGE HARBOR COMMUNITY DEVELOPMENT DISTRICT IN ACCORD WITH THE NON-EMERGENCY ORDINANCE ADOPTED BY THE CITY COMMISSION OF THE CITY OF CALLAWAY, FLORIDA, AND THE PLAN OF DISSOLUTION; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS, the Bridge Harbor Community Development District (the "District") was established by Ordinance No. 847 of the City Commission of the City of Callaway, Florida, pursuant to Chapter 190, *Florida Statutes*; and**

**WHEREAS, the District is located wholly within the boundaries of the City of Callaway, Florida (the "City"); and**

**WHEREAS, the District operations are funded solely by the contributions, in lieu of taxes or assessments, of HCI Bridge Harbor, LLC, the developer and majority landholder within the District (the "Developer"). The District has not levied any special assessments against the assessable real property located within the District for the purposes of funding the District's ongoing operating costs; and**

**WHEREAS, the District has not taken any actions regarding planned community development services to the lands located within the District and has not levied any special assessments against the assessable real property located within the District for the purposes of funding any planned community development services; and**

**WHEREAS, the District has not issued any bonds, notes or other debt instruments in anticipation of making any planned community development improvements; and**

**WHEREAS, the District's Board of Supervisors has determined that based upon information provided to it by the Developer, and the current economic conditions and the level of improvements already completed within the District, that the planned community development services to be provided to the lands within the boundaries of the District may be provided by and through the Developer and/or owners of the lands located within the District (the "Landowners")**

in a manner as efficiently as the District and at a level of quality equal to the level of quality to be delivered to the users of those services by the District, at an annual cost that would be equal to or lower than the annual assessment amount that could be levied by the District; and

**WHEREAS**, the District has received a written request from the Developer to dissolve the District; and

**WHEREAS**, the District has received written consent to the dissolution of the District from 100% of the Landowners; and

**WHEREAS**, the termination of the District will not harm or otherwise injure any interests of the Landowners of the District, nor harm nor otherwise injure any interests of any other party within or without the District; and

**WHEREAS**, the District's Board of Supervisors finds that it is in the best interest of the District, the Developer and the Landowners that the District be dissolved and that the planned community development services be provided by the Developer and/or Landowners; and

**WHEREAS**, the District has prepared a Plan of Dissolution that provides for the orderly dissolution of the District and for the final dispensation of all records, financial accounts and contracts; and

**WHEREAS**, the District's Board of Supervisors desires that the City adopt a non-emergency ordinance to provide for the dissolution of the District in accord with Section 190.046(9), *Florida Statutes*.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD  
OF SUPERVISORS OF THE BRIDGE HARBOR  
COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1. INCORPORATION OF WHEREAS CLAUSES.** All of the above representations, findings, and determinations contained within the Whereas Clauses of this Resolution are recognized as true and accurate, and are expressly incorporated into this Resolution.

**SECTION 2. APPROVAL OF PLAN OF DISSOLUTION.** The District hereby approves the Plan of Dissolution, attached to this Resolution as Exhibit A.

**SECTION 3. REQUEST FOR ACTION.** The District hereby requests that the City adopt a non-emergency ordinance to provide for the termination of the District in accord with Section 190.046(9), *Florida Statutes*.

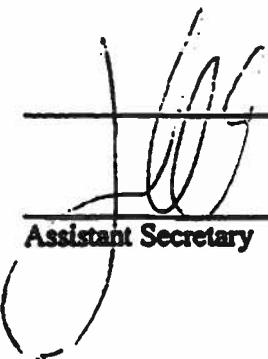
**SECTION 4. DIRECTION TO DISTRICT MANAGER AND DISTRICT COUNSEL.** The District Manager and Barron & Redding, P.A., are hereby directed to take the appropriate actions to transmit this Resolution to the City. Upon the adoption of a non-emergency ordinance by the City, the District Manager and Barron & Redding, P.A., are further directed to proceed with the necessary steps as outlined in the Plan of Dissolution to effectuate an orderly termination of the District.

**SECTION 5. SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

**SECTION 6. EFFECTIVE DATE.** This Resolution shall take effect immediately upon the passage and adoption of this Resolution by the Board of Supervisors of the Bridge Harbor Community Development District.

**PASSED AND ADOPTED** in public session this 3<sup>rd</sup> day of December, 2014.

**ATTEST:**

  
\_\_\_\_\_  
Assistant Secretary

**BOARD OF SUPERVISORS OF THE  
BRIDGE HARBOR COMMUNITY  
DEVELOPMENT DISTRICT**

  
\_\_\_\_\_  
Michael Hefee Chairman

**PLAN OF DISSOLUTION FOR  
BRIDGE HARBOR COMMUNITY DEVELOPMENT DISTRICT**

1. **PURPOSE.** The purpose of this Plan of Dissolution is to provide a plan for the orderly dissolution of the Bridge Harbor Community Development District (the "District").
2. **CONSTRUCTION.** This Plan of Dissolution shall be construed liberally to accomplish the smooth and orderly dissolution of the District.
3. **AUTHORITY.** Section 190.046(9), *Florida Statutes*, provides that if a district has no outstanding financial obligations and no operating or maintenance responsibilities, upon petition of the district, the district may be dissolved by a non-emergency ordinance of the local governmental entity that established the district.
4. **SERVICES.** The District is currently managed by a contract administrator and has no employees. Counsel has been retained by the District to provide legal services to the District. The District currently does not provide any community development services to the owners of lands within the boundaries of the District. The District Manager and Barron & Redding, P.A., are responsible for filing any final reports or other documents on behalf of the District that are required by law, and for performing any and all other actions on behalf of the District within thirty (30) days after the effective dissolution of the District. Prior to submitting the resolution requesting dissolution to the City of Callaway (the "City"), HCI Bridge Harbor, LLC, will pay all outstanding District expenses, including among others invoices from the District Manager, District Engineer and District Counsel, and including invoices sufficient to cover the expenses associated with the dissolution process.
5. **ASSETS AND LIABILITIES.** The District has no real property, infrastructure or other assets and has no debt or maintenance responsibilities.
6. **CONTRACTUAL OBLIGATIONS OF THE DISTRICT.**
  - A. All contractual obligations shall be addressed as follows:
    - (1) The District's agreement with the firm of Hopping Green & Sams, P.A. to serve as District Counsel shall terminate upon the effective dissolution of the District. The District Manager will obtain an appropriate release from Hopping Green & Sams, P.A.
    - (2) The District's agreement with the firm of Government Services Group, Inc., to serve as District Manager shall terminate upon the effective dissolution of the District. The District Manager will obtain an appropriate release from Government Services Group, Inc.
    - (3) Prior to submitting the resolution requesting dissolution to the City, the District Manager on behalf of the District shall terminate

any other pending District agreements, including the District's agreement with the firm of Nabors, Giblin & Nickerson, P.A. to serve as Bond Counsel, and Buchanan & Harper, Inc., to serve as Interim District Engineer, by sending notice of termination to each of these contractors and/or consultants.

B. All revenue agreements with HCI Bridge Harbor, LLC, shall expire and be void upon final payment of all financial obligations of the District to any third party beneficiary, including any payments due to the City, any other governmental entity, the District Manager and/or District Counsel resulting from the dissolution of the District.

7. **FINANCE.** Prior to submitting the resolution requesting dissolution to the City, HCI Bridge Harbor, LLC, will pay all outstanding accounts of the District. HCI Bridge Harbor, LLC, has entered into an agreement with the District whereby it agrees to pay such monies as are necessary to enable the District to proceed with the dissolution of the District and to pay such monies as are necessary to enable District Staff and Barron & Redding, P.A., including legal, engineering and managerial staff, to assist in the dissolution process and proceedings.

8. **NOTICE OF DISSOLUTION.** Barron & Redding, P.A., shall file a Notice of Dissolution of the Bridge Harbor Community Development District in the public records of the City of Callaway, Florida. A copy of the Ordinance passed by the City dissolving the District shall be transmitted to the Florida Department of Economic Opportunity pursuant to Section 189.418, *Florida Statutes*.

9. **MODIFICATION OF THE PLAN OF DISSOLUTION.** The District's Board of Supervisors may modify this Plan of Dissolution by Resolution prior to the effective date of any ordinance of the City dissolving the District.

10. **OFFICIAL DISTRICT RECORDS.** All official records of the District shall be transferred to the Florida Secretary of State by the District Manager. However, such a transfer of official District records shall not occur as long as the District has an obligation, under any law, to keep and maintain any such official District record. If any official record of the District cannot be transferred prior to the dissolution of the District, then the failure by the District Manager to transfer such a record shall not cause this Plan of Dissolution to not be completed within the time permitted. Any such record shall be transferred by the District Manager to the Florida Secretary of State as soon as is practicable after the dissolution of the District, in accord with this Plan of Dissolution.

11. **OPERATION OF THIS PLAN OF DISSOLUTION.** This Plan of Dissolution shall become effective upon adoption of a Resolution by the District's Board of Supervisors approving this Plan of Dissolution. After complying with the terms of this Plan of Dissolution, the District will be dissolved without any further action.

# **Exhibit 4**

Consent and Joinder of Landowners to the Dissolution of  
the Bridge Harbor Community Development District

The undersigned understands and acknowledges that the Bridge Harbor Community Development District, ("District") intends to seek dissolution of the District in accordance with the provisions of Chapter 190.046(9), Florida Statutes.

As an owner of lands within the Bridge Harbor Community Development District, the undersigned hereby consents to the dissolution of the District. The undersigned also hereby waives the right to object to the District's failure to comply with any and all requirements prescribed by Florida Law, including, but not limited to, Chapters 189 and 190, Florida Statutes. A description of the District lands owned by the undersigned is more fully described in Exhibit "A" attached hereto and made a part hereof.

The undersigned acknowledges that this consent will remain in full force and effect until the dissolution of the District is final or three years from the date hereof, which ever shall first occur.

The undersigned hereby represents and warrants that it has taken all actions and obtained all consents necessary to duly authorize the execution of this consent and joinder by the officer executing this instrument.

Executed this 3rd day of December, 2014.

Witnessed:

HCI BRIDGE HARBOR, LLC

Print Name:

[Signature]  
PERFECT CONNECTION

By:

Its:

[Signature]  
1/1/2014

Print Name:

[Signature]  
JOINT MANAGERS

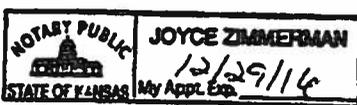
STATE OF KANSAS  
COUNTY OF Johnson

I hereby certify that on this day, before me, an officer duly authorized to take acknowledgments, personally appeared Paul Mischak of HCI BRIDGE HARBOR LLC who executed the foregoing instrument, acknowledged before me that he executed the same on behalf of the foregoing entity and was identified in the manner indicated below.

Witness my hand and official seal in the County of Johnson and State of Kansas this 3rd day of December, 2014.

[Signature]  
Notary Public

Personally known:   
Produced Identification: \_\_\_\_\_  
Type of Identification: \_\_\_\_\_



**Consent and Joinder of Landowners to the Dissolution of  
the Bridge Harbor Community Development District**

The undersigned understands and acknowledges that the Bridge Harbor Community Development District, ("District") intends to seek dissolution of the District in accordance with the provisions of Chapter 190.046(9), Florida Statutes.

As an owner of lands within the Bridge Harbor Community Development District, the undersigned hereby consents to the dissolution of the District. The undersigned also hereby waives the right to object to the District's failure to comply with any and all requirements prescribed by Florida Law, including, but not limited to, Chapters 189 and 190, Florida Statutes. A description of the District lands owned by the undersigned is more fully described in Exhibit "A" attached hereto and made a part hereof.

The undersigned acknowledges that this consent will remain in full force and effect until the dissolution of the District is final or three years from the date hereof, which ever shall first occur.

The undersigned hereby represents and warrants that it has taken all actions and obtained all consents necessary to duly authorize the execution of this consent and joinder by the officer executing this instrument.

Executed this 3rd day of December, 2014.

Witnessed:

HCI MARINA, LLC

[Signature]  
Print Name: PEPPER CARROLL

By: [Signature]  
Its: Manager

[Signature]  
Print Name: CHRIST MYERS

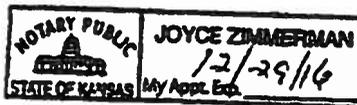
STATE OF Kansas  
COUNTY OF Johnson

I hereby certify that on this day, before me, an officer duly authorized to take acknowledgments, personally appeared Paul Stangorsh, Manager of HCI Marina, LLC who executed the foregoing instrument, acknowledged before me that he executed the same on behalf of the foregoing entity and was identified in the manner indicated below.

Witness my hand and official seal in the County of Johnson and State of Kansas this 3rd day of December, 2014.

[Signature]  
Notary Public

Personally known:   
Produced Identification: \_\_\_\_\_  
Type of Identification: \_\_\_\_\_



**City of Callaway Board of Commissioners  
Agenda Item Summary**

January 27, 2015

**Owner Utility Deposit for Rental Properties**

**1. PLACED ON AGENDA BY:**  
Melba Covey, Commissioner, Ward 1

**2. AGENDA:**  
PRESENTATION   
PUBLIC HEARING   
CONSENT   
OLD BUSINESS   
REGULAR

**3. IS THIS ITEM BUDGETED (IF APPLICABLE)?:** YES  NO

N/A

**4. BACKGROUND: (WHY, WHAT, WHO, WHERE, WHEN, HOW, & IDENTIFY ALL ATTACHMENTS)**

Discussion on requiring Owners of rental properties to establish an escrow utility deposit for the life of their ownership of property/properties for the purpose of ensuring that the City would not continue to be required to absorb or write off utility accounts where the renter(s) leave owing a larger utility bill than could be covered by the deposit they have on file with the City. Owners and/or their agents will ensure that new occupants of rental property are aware of utility requirements, i.e City utility residential service and irrigation meters, if applicable.

ATTACHMENT:

**5. REQUESTED MOTION/ACTION:**

Commission to discuss this proposal and ask the City Attorney to have a draft ordinance for review at the next Commission meeting.

**City of Callaway Board of Commissioners  
Agenda Item Summary**

January 27, 2015

**Household Garbage Service Requirement**

**1. PLACED ON AGENDA BY:**

Melba Covey, Commissioner, Ward 1

**2. AGENDA:**

- PRESENTATION
- PUBLIC HEARING
- CONSENT
- OLD BUSINESS
- REGULAR

**3. IS THIS ITEM BUDGETED (IF APPLICABLE)?:** Yes  No

N/A

**4. BACKGROUND: (WHY, WHAT, WHO, WHERE, WHEN, HOW, & IDENTIFY ALL ATTACHMENTS)**

Discussion on placing monthly household garbage service on water bill or tax bill to ensure that each resident has weekly pickup of garbage so our City will not continue to experience unsightly garbage being strewn around in neighborhoods throughout our City and will eliminate Code Enforcement having to use manpower to address this issue.

The suggestion below can help us focus on just the "problem" addresses:

In the event the resident or owner has created a problem with accumulation or improper placement of garbage, upon request, the Code Enforcement Division can demand that proof of garbage collection has been paid.

The owner of the property or its' representative, property manager, must provide proof.

ATTACHMENT:

**5. REQUESTED MOTION/ACTION:**

After discussion, the Commission was instruct the City Attorney to bring a draft Ordinance at the next Commission meeting.

**City of Callaway Board of Commissioners  
Agenda Item Summary**

January 27, 2015

Discussion On Establishing A Committee of Citizens to Review Ordinances

**1. PLACED ON AGENDA BY:**

Bob Pelletier, Commissioner, Ward 3

**2. AGENDA:**

PRESENTATION	<input type="checkbox"/>
PUBLIC HEARING	<input type="checkbox"/>
CONSENT	<input type="checkbox"/>
OLD BUSINESS	<input type="checkbox"/>
REGULAR	<input checked="" type="checkbox"/>

**3. IS THIS ITEM BUDGETED (IF APPLICABLE)?:** Yes  No

N/A

**4. BACKGROUND: (WHY, WHAT, WHO, WHERE, WHEN, HOW, & IDENTIFY ALL ATTACHMENTS)**

Commissioner Pelletier would like for the Commission to discuss the possibility of establishing an Ordinance Review Committee to review all City Ordinances. This Committee would consist of Citizens who would volunteer their time to read all Ordinances and make suggestions to the Commission regarding revising or elimination of the Ordinances, if necessary.

ATTACHMENT:

**5. REQUESTED MOTION/ACTION:**

Commission to agree to advertise for interested citizens to form this Committee.

**City of Callaway Board of Commissioners  
Agenda Item Summary**

January 27, 2015

**Recommendation from Auditor's Utility Billing Report**

**1. PLACED ON AGENDA BY:**

Commissioner Pamn Henderson

**2. AGENDA:**

PRESENTATION	<input type="checkbox"/>
PUBLIC HEARING	<input type="checkbox"/>
CONSENT	<input type="checkbox"/>
REGULAR	<input checked="" type="checkbox"/>

**3. IS THIS ITEM BUDGETED (IF APPLICABLE)?:** Yes  No

N/A

**4. BACKGROUND: (WHY, WHAT, WHO, WHERE, WHEN, HOW, & IDENTIFY ALL ATTACHMENTS)**

Recently, the City engaged Warren Averett to evaluate selected processes in the billing and cash receipt cycle of the Water Utility Enterprise Fund. Warren Averett collected and analyzed data from the past eighteen (18) to twenty-four (24) months, and presented their findings and recommendations in the Billing and Cash Receipt Evaluation Report dated October 13, 2014. The report outlines nine (9) observations and recommendations. While many of the observations are operational in nature, some of the recommendations may represent a change in policy and warrant the Commission's consideration. These observations and recommendations are as follows:

- 1) Organizational Structure – Utility Billing/Finance personnel functions and responsibilities.
- 2) Cycle Billing and Meter Reading – 2 or 3 cycles a month and electronic meter reading equipment.
- 3) Written Policy and Procedures – Updating/amending Accounting Policy and Utility Billing Policy Manuals.
- 4) Risk Assessment – annual/bi-annual account testing.
- 5) New Meter Connections – update new account set up and collection agency communication.
- 6) Exception Reporting – Springbrook to create report.
- 7) Bill Calculation – due dates and mailing.
- 8) End of Shift Procedures – closing and counting drawers.
- 9) Cash Receipts and Deposits – Cash and checks on daily basis.

It is recommended that the Commission review the recommendations in the report and provide guidance to city staff.

**Attachments**

- Warren Averett's Observation and Recommendation
- Summary of Lockbox Services
- Additional data requested by Commission

**5. REQUESTED MOTION/ACTION:**

Commission should discuss and give direction to City Manager and staff.

## **OBSERVATIONS AND RECOMMENDATIONS**

### **1. Functional Overview – Organizational Structure**

#### ***Observation***

The current lines of authority are not clear and transitions in the City Clerk, Finance Director, and City Manager functions along with customer service representative transition have impacted operations. In the current organizational structure, the utility billing and collection duties rest with both the Director of Finance as the manager of the function and the City Clerk. One customer service representative technically reports to the City Clerk and the other two representatives and the meter readers report to the Assistant to the Finance Director. Further the City's Utility Billing policy manual refers to a Utility Billing Supervisor; however, no such position formally exists.

#### ***Recommendation***

The utility services function should be the overall responsibility of the Director of Finance. The customer service representatives, to include meter readers, should report to the Utility Billing Supervisor, who in turn reports to the Director of Finance. The Assistant to the Finance Director currently functions as the Utility Billing Supervisor.

It is possible an additional position is needed to serve the non-utility duties of the Assistant to the Finance Director role. Some strain on the system may be alleviated if the City were to implement cycle billing. Further the City is now operating without a Director of Finance and just modified City Hall working hours from five 10 hour days requiring staggered shifts to five 8 hour days. The changing circumstances make it difficult to make a formal recommendation; however the need for an additional part or full time position in the Finance function may need to be evaluated by the Commission in the near future.

### **2. Functional Overview – Cycle Billing & Meter Reading**

#### ***Observation***

The single billing cycle for all utilities results in increased overtime, unnecessary time compression and increased risk of errors. The City currently has one billing cycle per month to service approximately 6,400 utility accounts and 8,300 meters. We inquired of other municipalities providing similar utility service and determined that three cities with number of accounts that range from 6,700 to 10,000 are configured to four billing cycles per month (one per week). One municipality with 1,800 accounts operated one cycle billing. Further using exclusively drive-by meter readings, one municipality could read all meters in the weekly cycle in about 4 hours or in ½ of one day. This is accomplished by one meter reader.

#### ***Recommendation***

Cycle billing can create a more balanced workload as well as improve cash flow by spreading out cash receipt. Physical observation during our procedures illustrated the current staff could not keep pace with the workload of customer assistance, payment processing or cut-offs and re-reads, all which affect utility bill processing and cash receipt processing. In an interview with the Director of Finance employed by the City from 2005 to 2013, she indicated during the week of the 15<sup>th</sup> it was normally necessary for the Assistant to the Finance Director and the Director of Finance to process mail and drop box utility cash receipts batches in order for deposits to be made timely. The size of the City's utility operation would benefit from at least a twice a month billing cycle. Further the City Commission should continue consideration of electronic meter reading equipment.

### **3. Functional Overview – Written Policy and Procedures**

#### ***Observation***

The City has formal documentation of policy in the Accounting Policy Manual and the Utility Billing Manual. However certain policies need to be updated to reflect changes directed by the governing body such as utility deposits. In addition the current policy manual does not address outside collections or write-offs in the system. The policy documents are not distributed to new staff upon employment or job transition. For example, the City Clerk indicated that she was not aware of the policy that required cash deposits to be made within two days of receipt until brought to her attention in September 2014.

#### ***Recommendation***

The accounting and billing policies should be updated to reflect current processes to include recommendations that may be adopted from this report. The documents should be reviewed for significant operational activities (such as collection efforts on delinquent accounts) that may have been overlooked. Job descriptions, to include policy documents that should be provided upon employment or job transition, should be developed and maintained in coordination with the HR function to ensure new employees or employees in new roles have resources and information to properly carry out their duties.

### **4. Functional Overview – Risk Assessment**

#### ***Observation***

The City does not have a documented control or fraud risk assessment. Risks in the utility billing function include, but are not limited to the risk that all active accounts in the system are not billed. As documented in attachment 6, we determined 12 accounts were not configured properly in the City's system and thus meters were not recently read.

#### ***Recommendation***

While the exceptions noted are not material to the City's financial position, the City should consider performing tests, similar to those outlined in the account and meter analysis section, internally on a bi-annual or annual basis to ensure all accounts are configured properly to reduce the risk of not billing all accounts in the system. This strategy should be documented as part of its risk assessment.

### **5. Flow of Transactions – New Meter Connections**

#### ***Observation***

Current policies do not require a secondary review for new accounts opened.

***Recommendation***

We recommend that new accounts established are reviewed by the Assistant to the Finance Director or Director of Finance on a periodic basis to ensure the proper paperwork exists, deposits established are in accordance with policy, and the proper search of past due accounts under the customer name was performed. Springbrook should be able to produce an automated report that lists new accounts established within certain date ranges to facilitate the periodic review.

In addition each customer service representative has the individual responsibility to email the collection agency if they collect on an account previously turned over to the agency. We recommend the City work with Springbrook to develop an automated monthly report that could be submitted to the collection agency of past due collections by the City. This would ensure all information required to be communicated is captured rather than left to the responsibility of each individual customer service representative.

**6. Flow of Transactions – Exception reporting**

***Observation***

Currently the City does not have an efficient method to monitor for inaccurate meter reads. Customer service personnel manually scan the proof list to identify meter readings that might contain possible exceptions for re-reads. The City has attempted to develop an automated report from Springbrook but has not been successful in producing a report that meets their needs.

***Recommendation***

We continue to recommend the City work with their software vendor, Springbrook, to produce automated exception reporting. An automated report will reduce personnel time to scan the list and will also ensure all accounts falling outside the set parameters are flagged.

**7. Flow of Transactions – Bill Calculation**

***Observation***

The City's Utility Billing Manual does not address a policy for the acceptable number of days between when utility bills are sent and when they are due. The policy does address bills are due on the 15<sup>th</sup> day of each month. As illustrated in attachment 2, the number of days between bill due date and mailing due date, over the past 24 months, ranged from a maximum of 19 days to a minimum of 10 days, (excluding two months considered unusual).

***Recommendation***

The City should develop a policy such as bills are to be mailed 16 to 18 days prior to their due date in order to achieve consistency in billing for the users of the services. The City cannot control the number of days it takes the post office to deliver mail; it can control the date of the mailing. However due to the compression on the system based on volume of accounts and the single billing cycle, such a policy may not feasibly be able to be worked out until other aspects of operations are addressed.

## **8. Flow of Transactions – End of Shift Procedures**

### ***Observation***

Customer service representatives are not balancing drawers to the proof list before closing of their respective shifts. The drawers are balanced the next day between 7:00AM and 7:30AM before City Hall opened. As a result of the impact of the staggered schedules and if any problems are encountered in balancing a drawer, both cash and check deposits are prone to delays in further processing under the existing procedures. We realize the staggered schedule issue was resolved with the change in operating hours effective October 1, 2014.

### ***Recommendation***

Customer service personnel should ideally balance their drawers to the proof daily at the close of the shift. To limit overtime, the City may consider shutting down one window at a time starting at 3:00PM and opening a new batch for deposits that are received after balancing the drawer. For example customer service representative A would shut down at 3:00PM and balance the drawer to the proof list and prepare the deposit. Customer service representative A would re-open the window and start a new batch at 3:30. At that time, customer service representative B would shut down the window and balance the drawer to the proof list. Customer service representative B would re-open the window and start a new batch at 4:00PM. Customer service representative C would shut down the window and balance the drawer at 4:00PM and a Sheriff's deputy would take the deposits to the bank at 4:30PM as further described in the next observation. Customer service representative C would then re-open the window and start at new batch at 4:30PM. The smaller batches opened between 3:30PM and 4:30PM are considered part of the following day's batch. This approach may achieve the desired control objective but limit overtime costs.

This process, if adopted, will require modification on the days of payment before penalties are assessed and cutoff.

## **9. Flow of Transactions – Cash Receipts and Deposits**

### ***Observation***

Cash and checks remitted by the City in the utility billing function are not immediately deposited. Customer service personnel forward the cash and checks, along with other batch information, to the City Clerk for review prior to committing batches. In addition the City began scanning checks in June, 2012 rather than directly depositing them at the bank.

The check scanning process provides immediate deposit of the funds and reduces the need for branch visits. However the software does not always read checks correctly; particularly those that are manually prepared. As a result, time is incurred, particularly in large batch processing, to determine which images were not properly read. The City has been using a temporary employee to scan the checks as well as to function as a customer service representative on Mondays and Fridays due to the staggered schedules and backup for when there are vacancies such as when an employee is on vacation or sick. Batches which include both cash and checks are not forwarded to the City Clerk for processing until after the check scanning takes place. Check scanning is recognized as important but not a critical duty. The process will be delayed if the temporary employee is needed to perform other critical functions such as customer service or to process mail and drop box payments during times of heavy deposit.

***Recommendation***

Internal controls are not significantly enhanced by the second review by the City Clerk of cash and check received prior to committing the batch. Further cash should be deposited as soon as possible after receipt to limit physical security concerns since cash is the asset most susceptible to theft.

We recommend that cash and checks be immediately deposited after the balancing of the drawer to the proof list by the customer service representative which includes preparation of the deposit slips. Since Sheriff's deputies are already tasked to take deposits to the bank on a daily basis, there is limited value to the City in the scanning function. The deputies should be prepared to take a deposit at 4:30PM each day if the City were to implement the staggered drawer balancing.

The validated bank deposit slips and proof list should be used by the City Clerk to commit batches the day following deposit of the funds. Any discrepancies between the proof list and the validated deposit slips should be immediately brought to the attention to the Director of Finance and Assistant to the Finance Director for resolution. Since the customer service representatives have limited ability to make changes in the accounting system, any off the books fraud should be immediately detected as long as the batches are reconciled and committed on a timely basis. Voids and credits to customer accounts require approval by management and should also be reviewed on an ongoing basis by the Director of Finance as part of proper monitoring controls.

From staff recommendation regarding LockBox Services Presentation at last meeting:

**Proposal to stream-line the collection of recurring remittances by outsourcing the processing to a lockbox provider**

Approval to acquire lockbox services is requested in order to address recommendations included in our utility billing function evaluation, conducted by Warren Averett, and in order to address other customer service and staff workload concerns. Lockbox services are designed to expedite the collection of recurring payments and will provide the most cost effective solution for streamlining our Utility Billing operations by freeing personnel from the labor intensive process of manually handling mail, making daily deposits and manually posting payments.

Utilizing up-to-date payment technology through lockbox services will provide a more immediate and efficient method for improving staff productivity than continuing to invest in updated or new remittance processing equipment, it's implementation, associated staff hours and training, especially if we are revisiting the use of a tool that has not worked for us in the past. Lockbox services are also significantly more cost effective than considering hiring additional staff, as recommended in our UB evaluation.

**Issues addressed and other benefits**

- ✓ Solves dilemma of adequately staffing to meet peak workload days verses overburdening a small staff during critical periods
- ✓ Automation of manual processing of cash receipts allowing staff to focus on customer service and risk assessment controls
- ✓ Eliminates tedious work done more efficiently using technology
- ✓ Reduces processing delays associated with sick time, vacation and holidays
- ✓ Reduces data entry errors
- ✓ Payments processed 6 days a week.
- ✓ Payments electronically deposited, daily.
- ✓ Improves cash flow and significantly improves bank reconciliation process
- ✓ Batch imaging of payments.
- ✓ Electronic posting to customer accounts.
- ✓ Electronic transactions through Checkfree and Pay-gov included in electronic file for upload, currency posted manually on following day
- ✓ Reduces burden on other City Hall staff that process drop-box transactions and backup cashiers.
- ✓ NSF check collection at no additional cost
- ✓ Potential increase in customer satisfaction
- ✓ Decreases overtime required

**Cost**

Monthly Lockbox fee \$50

Per transaction charge \$0.65

Cost anticipated to be offset by savings for over-time, supplies, equipment, record retention and job vacancies.

**Vendor Information: Credit Business Services, Inc.**

Established, long term, vendor familiar with City collections

Local, serving other government organization in area

Strict compliance and knowledge of state /federal collection laws

Providing IT services to set up software interface free of charge

No contract or commitment required, service continuation is solely dependent on meeting our needs

Cutting edge collection technology, equipment

Audit recommendations– deposits in 2 business days – accounts added – increase in overtime – 215 accounts for Sandy Creek – additional position needed to serve non utility duties. “the current staff could not keep pace with the workload of customer assistance, payment processing or cut-off and re-reads, all which affect utility bill processing and cash receipt processing. Need to evaluate additional part or full time position in the Finance function. City should consider running tests to validate that all accounts are billed., monthly report to collection agency, review of new accounts established, bills to be mailed 16 to 18 days prior to due date, workload makes it not feasible until workload is addressed/ close drawer every day, cash and checks should be immediately deposited every day, check scanner and code reader not working

Additional Data concerning utility billing recommendations...

City of Callaway

Summary of Cash Receipts by Pay Method

Sept. 1, 2014 thru Nov. 30, 2014

Payment Method	Data			
	Count of Amount	Sum of Amount2	Count of Online Amt	Sum of Online Amt
Cash	4,357	\$449,254.43		
CHECK	9,300	\$1,958,806.82		
CR	2,532	\$251,584.25		
EP	2,229	\$194,804.15		
MO	197	\$17,348.27		
ONLINE	134	\$0.00	134	\$17,743.98
UBPay	4	\$0.00	4	\$308.77
<b>Grand Total</b>	<b>18,753</b>	<b>\$2,871,797.92</b>	<b>138</b>	<b>\$18,052.75</b>

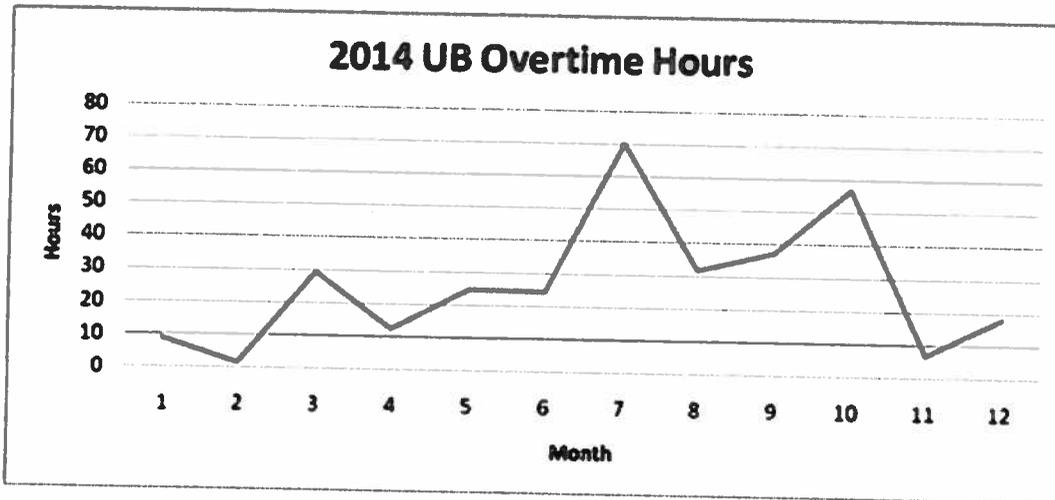
Checks Monthly Average 3,100 \$ 652,935.61  
 Total Monthly Average 6,251 \$ 957,265.97

City of Callaway

Summary of UB Customer Representative Overtime

Calendar Year 2014

	CSR A		CSR B		CSR C		Total # of Hours	Total Amount
	# of Hours	Amount	# of Hours	Amount	# of Hours	Amount		
1			6.5	\$121.88	2.25	\$46.91	8.75	\$168.79
2			0.5	\$9.38	1	\$20.85	1.5	\$30.23
3			27.25	\$510.94	2	\$41.70	29.25	\$552.64
4			10	\$187.51	2.5	\$52.13	12.5	\$239.64
5	12.75	\$210.38	12	\$226.41			24.75	\$436.79
6	17	\$280.51	6.25	\$128.90	1.25	\$26.06	24.5	\$435.47
7	5.5	\$90.76	59.75	\$1,232.35	5	\$104.25	70.25	\$1,427.36
8	16.5	\$272.25	14.25	\$293.91	1	\$20.85	31.75	\$587.01
9	9.5	\$156.75	24.25	\$500.16	3.75	\$78.19	37.5	\$735.10
10	19.5	\$321.75	23.5	\$484.69	14	\$302.19	57	\$1,108.63
11			3	\$64.35	3.75	\$81.34	6.75	\$145.69
12	6.25	\$103.13	12	\$257.40			18.25	\$360.53
<b>Grand Total</b>	<b>87</b>	<b>\$1,435.53</b>	<b>199.25</b>	<b>\$4,017.88</b>	<b>36.5</b>	<b>\$774.47</b>	<b>322.75</b>	<b>\$6,227.88</b>



**Lockbox Services**

Monthly Lockbox Fee: \$50.00 per month  
 Per Transaction Charge: \$.65

In 2005 average monthly customers was 7,153  
 In 2010 7,796  
 In 2013 8,077

In 2005 Callaway had 79 employees  
 In 2010 84 employees  
 In 2013 70 employees

**Callaway Population**

Year	Population
2014	14,581
2013	14,332
2012	14,051
2011	14,383
2010*	14,405
2000*	14,233
1990*	12,253
1980*	7,154
1970*	3,240
1960*	950

\*source: US Census

source: Bureau of Economic and Business Research, Univ of FL