



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

REGULAR MEETING

CITY OF CALLAWAY BOARD OF COMMISSIONERS

TUESDAY, OCTOBER 27, 2015 – 6:00 P.M.

CALLAWAY ARTS & CONFERENCE CENTER

500 CALLAWAY PARK WAY

CALLAWAY, FL 32404

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.

PRESENTATIONS / PROCLAMATIONS

- Presentation Employee of the Month – Jared Williams
- Presentation 15 Year Service Plaque – David P. Joyner, Fire Chief
- Presentation FACC Master Municipal Clerk Designation – Janice Peters, MMC, City Clerk
- Presentation Certificate of Achievement - Excellence in Financial Reporting – Beverly Waldrip, Finance Director
- Presentation Code Enforcement Board – Joseph Volpi, Chairman
- Presentation Bay County Sheriff's Office – Lt. Michael Branning

PUBLIC PARTICIPATION

- 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.
- Public Participation will be heard at the beginning of the meeting only.
- Comments are limited to three (3) minutes.

APPROVAL OF MINUTES

- June 23, 2015 Regular Meeting
- July 27, 2015 Regular Workshop
- Sept. 16, 2015 Special Meeting
- Sept. 20, 2015 Budget Workshop
- Sept. 21, 2015 Regular Workshop
- Sept. 22, 2015 Final Budget Hearing
- Sept. 22, 2015 Regular Meeting

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."

CONSENT AGENDA

- Item # 1 Budget Cleanup for FY2014/15
- Item # 2 Financial Update – “Budget-in-Brief”
- Item # 3 FY2015/16 Meeting Schedule

OLD BUSINESS

- Item # 4 Lockbox – Review of Information
- Item # 5 Review of Resolution No. 13-27 – Schedule of Utility Deposits

REGULAR AGENDA

- Item # 6 Ordinance No. 961 - Capital Improvement Revenue Refunding Bonds, Series 2015
- Item # 7 Resolution No. 15-27 Policy - Wireless Communication Usage Allowance
- Item # 8 Resolution No. 15-28 Policy - Procedures for Collection of Delinquent Accounts
- Item # 9 Resolution No. 15-29 Policy – Vehicle Use Policy
- Item #10 Hernandez Property – Indemnification & Hold Harmless Agreement
- Item #11 Bridge Harbor Development 1 Staging/Schedule Amendment
- Item #12 Mayor Abbott - Review of Ordinance No. 837 - Business Tax License
- Item #13 Commissioner Covey – City Clerk’s Office Quarterly Report & PEC Board
- Item #14 Commissioner Henderson – Travel Policy

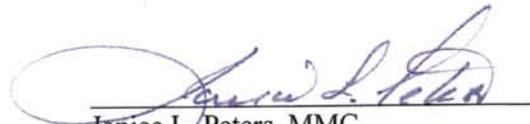
COMMISSION COMMENTS

ANNOUNCEMENTS

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

- | | | |
|--------------------|---------------------|---|
| • Oct. 31, 2015 | 11:00 A.M. | Callaway Historical Society Fall Festival – 522 Beulah |
| • Nov. 11, 2015 | City Offices Closed | Veterans Day Holiday |
| • Nov. 11, 2015 | 2:00 P.M. | Veterans Day Parade – Cherry Street from Berthe Ave. to the Callaway Assembly of God Church |
| • Nov. 16, 2015 | 6:00 P.M. | Regular Workshop |
| • Nov. 17, 2015 | 6:00 P.M. | Regular Meeting |
| • Nov. 26-27, 2015 | City Offices Closed | Thanksgiving Holiday |

ADJOURNMENT


Janice L. Peters, MMC
City Clerk

Public Participation for the Regular Commission Agenda items will be held at the Workshop Meeting on the day prior to the Regular Commission Meeting. Comments are limited to three (3) minutes at the Workshop Meeting and for Public Participation at the beginning of the Regular Commission Meeting.

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 will be at the beginning of the meeting and is limited to three (3) minutes.

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).

“This institution is an equal opportunity provider and employer.”



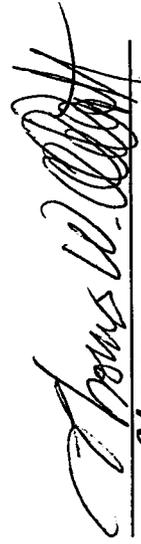
Employee of the Month

September 2015

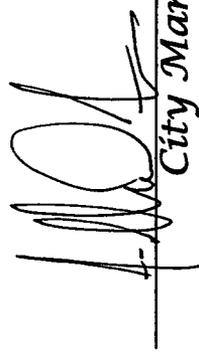
Presented to

Jared Williams

Thank you, Jared for your attention to detail, your positive attitude and your ongoing dedication to our City, Citizens and Staff.



Mayor



City Manager

Certificate of Appreciation

Presented to

David P. Joyner

*In appreciation of 15 years of service
and dedication to the City of Callaway.*

October 14, 2000 - October 14, 2015



[Signature]
Mayor

[Signature]
City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Callaway
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO



Government Finance Officers Association
203 N. LaSalle Street - Suite 2700
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

10/06/2015

NEWS RELEASE

For Information contact:
Stephen Gauthier (312) 977-9700

(Chicago)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to City of Callaway by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

Beverly Waldrip, Director of Finance

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
JUNE 23, 2015 – 6:00 P.M.**

The Callaway Commission met in Workshop session with Thomas Abbott, Mayor and Commissioners Melba Covey, Pam Henderson, Bob Pelletier and Ralph Hollister. Also present was J. Michael Fuller, City Manager; Kevin Obos, City Attorney; Sandra Hirth, City Clerk; Beverly Waldrip, Finance Director, Tim Legare, Leisure Services Director, David Joyner, Fire Chief, and Oscar Martinez, Interim Public Works Director and Lisa Koepke, Assistant to the City Manager.

The meeting was called to order by Mayor Abbott, followed by an invocation and the Pledge of Allegiance.

Mayor Abbott indicated Commissioner Covey requested at the prior evening's workshop that an item be added to the agenda as Item #18 Discussion of Veteran's Preference.

Mayor Abbott advised he had forgotten to request the item, City Clerk Applicants to be ranked, at the workshop.

Motion:

Motion was made by Commissioner Hollister and seconded by Commissioner Henderson to add Item #19, City Clerk Applicants to be ranked. Motion failed 4-1 upon roll-call vote, with Commissioner Covey voting in opposition. Items added to the agenda require a unanimous vote.

Commissioner Covey advised she is not comfortable moving forward until she can review the applications again.

Commissioner Pelletier requested Items #7 and #12 be pulled from the agenda.

PRESENTATIONS

Employee of the Month for May – Bonnie Poole – Code Enforcement Officer

Mayor Abbott read the letter of recommendation from Bill Frye, Zoning & Code Enforcement Officer, in which he commended Mrs. Poole on her motivation and positive attitude she brings to the job.

Proclamation – July as Parks and Recreation Month.

Mayor Abbott read the proclamation in its entirety, designating July as Parks and Recreation Month.

Code Enforcement Board Report

Chairman Volpi informed the Commission of the outcome of the five cases heard by the Code Enforcement Board at their meeting on May 25, 2015.

Bay County Sheriff's Office Report

Lt. Branning was not present to give statistics for May 2015.

PUBLIC PARTICIPATION

Brigid Johnson, 7509 Melody Lane indicated she was present when the applicants were interviewed and did not agree on the scoring or the person that was chosen.

John Malone, 705 Plantation Circle referenced the Audit Report submitted to the Commission on April 28, 2015. He referenced deficiencies stated in the audit, such as the need to review separation of duties; the need for a formalized IT Evaluation; continuation of the Manual Exception Reporting, and the fact that line item expenditures did not balance. He suggested the Commission have a more in-depth review of the audit.

Wayne McLeod commended the Commission on holding public interviews but did not understand how they narrowed down the top five candidates. He questioned the use of Military Preference and stated he was flabbergasted with their decision, noting that Ms. Peters met all of the requirements.

Commission briefly reviewed the process used.

Jean Champoux, 531 S. Beulah Avenue advised she had reviewed all the applications submitted for City Clerk and expressed dismay at the Commission's decision, as well as the process used to score.

Dolly Andrew, 5104 Collins Street agreed with previous comments regarding the process of hiring the City Clerk, advising the hiring should be objectively and without personal issues being considered.

MINUTES

May 18, 2015 – Workshop Minutes

Motion: Motion was made by Commissioner Hollister and seconded by Commissioner Pelletier to approve the minutes of the May 18, 2015 workshop. Motion carried 4-1 with Commissioner Covey voting in opposition.

May 19, 2015 – Regular Meeting Minutes

Motion: Motion was made by Commissioner Pelletier and seconded by Commissioner Hollister to approve the minutes of the May 19, 2015 regular meeting. Motion carried 4-1 with Commissioner Covey voting in opposition.

June 10, 2015 – Special Meeting Minutes

Motion: Motion was made by Commissioner Henderson and seconded by Commissioner Pelletier to approve the minutes of the June 10, 2015 special meeting. Motion carried 4-1 with Commissioner Covey voting in opposition.

July 15, 2014 – AWT Partners Meeting

Motion: Motion was made by Commissioner Hollister and seconded by Commissioner Henderson to approve the minutes of the July 15, 2015 AWT Partners meeting. Motion carried 4-1 with Commissioner Covey voting in opposition.

July 31, 2014 – Regular Workshop Meeting

Motion: Motion was made by Commissioner Henderson and seconded by Commissioner Pelletier to approve the minutes of the June 10, 2015 special meeting. Motion carried 4-1 upon roll-call vote, with Commissioner Covey voting in opposition.

August 4, 2014 – Special Meeting

Motion: Motion was made by Commissioner Hollister and seconded by Commissioner Pelletier to approve the minutes of the June 10, 2015 special meeting. Motion carried 4-1 upon roll-call vote, with Commissioner Covey voting in opposition.

August 25, 2014 – Special Meeting

Motion: Motion was made by Commissioner Henderson and seconded by Commissioner Pelletier to approve the minutes of the June 10, 2015 special meeting. Motion carried 4-1 upon roll-call vote, with Commissioner Covey voting in opposition.

August 25, 2014 – Regular Workshop

Motion: Motion was made by Commissioner Henderson and seconded by Commissioner Hollister to approve the minutes of the June 10, 2015 special meeting. Motion carried 4-1 upon roll-call vote, with Commissioner Covey voting in opposition.

CONSENT AGENDA

Budget Transfer – Fire Department A/C Repair

Budget Revision – Sewer Fund to Water Fund

Budget Transfer – Water Department

Budget Transfer – Street Department

Code Enforcement Board Application Bid Award – Veterans Park Fence Replacement

Audit Engagement Letter – Warren Averett

This item was tabled.

Professional Planning Services Agreements

Financial Update

Motion: Motion was made by Commissioner Henderson and seconded by Commissioner Covey to approve the consent agenda, minus Item #7, which was tabled. Motion carried unanimously upon roll-call vote.

OLD BUSINESS

Budget Revision – IT Equipment and Service – City Manager Fuller

Motion: Motion was made by Commissioner Pelletier and seconded by Commissioner Hollister to approve IT Equipment and Service budget revision and authorize the City Manager to sign the contract. Motion carried 4-1 upon roll-call vote, with Commissioner Henderson voting in opposition.

REGULAR AGENDA

Discussion on Highway 2297 Utility Line(s) – Commissioner Covey

Commissioner Covey wanted to ensure that the City Manager is on the same page with placing the phone calls and attending the meetings on this issue. City Manager Fuller was in agreement. No action needed as it was marked for discussion only.

Amending the Salary & Wage Schedule – City Manager Fuller

This item was tabled.

Assistance to Firefighters Sub-grant Agreement – City Manager Fuller

City Manager Fuller reminded the Commission of the 10% match, which would be \$5217.25 of the \$52,172.60. This will provide the Fire Department with a new P25 radio system to be operational in 2017.

Motion: Motion was made by Commissioner Pelletier and seconded by Commissioner Hollister to approve the sub-grant agreement. Motion carried 4-1 upon roll-call vote.

Senior Citizen Utility Discount – Amending Application Requirements – City Manager Fuller

City Manager Fuller advised there are currently 322 citizens receiving the discount. Of those, just over 100 are scheduled to be mailed a notice. Regarding non-residents receiving the discount, he advised an Ordinance was adopted excluding those who are not Callaway residents. The issue of validating incomes to make sure those receiving the discount were still eligible was discussed.

No action was taken, leaving the process as it currently stands. City Manager Fuller will work on revamping the process.

Solid Waste Services Schedule – Holidays – City Manager Fuller

City Manager Fuller will make sure the issue is addressed. No action needed.

Discussion of a Yard of the Month Program – Commissioner Henderson

Commissioner Covey, short of impeding on staff hours, asked when Commission wanted to move forward on this. Commissioner Henderson agreed to work with City Manager Fuller to network with other cities and put something together. No formal action needed.

Park Dedication/Name of Veterans Park – City Manager Fuller

City Manager Fuller advised the item was for discussion. Mayor Abbott asked if the Commission wanted to move forward with any formal direction. Commissioner Hollister asked how difficult it would be to put it on the ballot for the next election. City Manager Fuller indicated it would be a non-binding referendum. Normally referendums apply to binding issues, such as Charter revisions. He will check with the Supervisor of Elections. No formal action taken at this time.

Veterans Preference – Determination of Job Applications

Mayor Abbott advised that the statement “Are you claiming Veterans Preference?” is currently on the City’s application. City Manager Fuller advised the mobile application printed from the website does not seem to have the question listed. He will look into the issue and take whatever steps necessary to ensure the statement is there.

City Attorney Obos advised there is currently no limit on the times the preference can be used to acquire a position, however, once hired it can’t be used for internal promotion purposes. He advised the form DD-214 must be provided if the preference is claimed.

Motion: Motion was made by Commissioner Covey and seconded by Commissioner Pelletier to have the claim for Veterans Preference statement included on all applications. Motion carried unanimously upon roll-call vote.

COMMISSION COMMENTS

Melba Covey, Commissioner, Ward I

Farmer’s Market

Commissioner Covey advised attendance at the market has grown from the previous location but prices are higher than those at the Lynn Haven market and there were only two fresh vegetable vendors present.

Code Enforcement

She advised there is a pool and a trampoline in the front yard on a Collins Street residence, as well as other safety violations and asked about an Ordinance to address these issues. The other issue was with a property on Camille which is abandoned and field rats are coming out of the property.

Springbrook

Commissioner Covey asked if Ms. McLeod was going to do a presentation to the board. City Manager Fuller indicated he would send a request to her.

Lockbox

She asked about the status of the Lockbox costs. City Manager Fuller advised he will email her that information.

WOW Telephone Service Credit

Commissioner Covey advised in a meeting with WOW they had verbally agreed to give the city a refund on the monthly bills, which run over \$3,000. City Manager Fuller advised he is still waiting on the credit, as well as receipt of the conference call phone for the Commission office.

Audit Findings

Commissioner Covey advised that at the next meeting she will be asking for a written assurance from the City Manager that the deficiencies stated have been corrected.

Sewer Customers Not Connected to City Water

Commissioner Covey requested a status update on the direction given in May to the City Manager and the Public Works Director to gather info on sewer customers not connected to city water. At the request of Mayor Abbott, the City Manager will email that information to the Commission.

City Hall Interns

Commissioner Covey asked the status of getting interns at City Hall. City Manager Fuller advised none had been acquired at this time. She recommended checking with the colleges.

Berthe Avenue Storm Drain Grant Money

She asked about the status of this issue. City Manager Fuller advised things are moving very slowly on this issue.

Sidewalks on Seventh Street

Commissioner Covey asked about the sidewalks and City Manager Fuller reported they had the pre-construction meeting and it is imminent regarding the construction beginning.

Lone Wolf Property

She commented that the Lone Wolf property, which is in the County, has been cleaned up.

Consent Agenda

Commissioner Covey wanted to know who and how the Consent Agenda is determined. She was informed it is the City Manager but it is reviewed at the Mayor Abbott noted that anything placed on it could be moved to the regular agenda.

Ralph Hollister, Commissioner, Ward 4

AMVETS July 4th Celebration

Commissioner Hollister requested anyone interested in attending the AMVETS celebration on July 4th let him know so he can put their name on the list.

Bob Pelletier, Commissioner, Ward 3

Workshops

Commissioner Pelletier asked if the Budget Workshop is still on and suggested a workshop to discuss the City Clerk selection. City Manager Fuller confirmed the Budget Workshop.

Mayor Abbott said they need to decide when they want to set the workshop for the City Clerk position. City Attorney Obos reviewed options, which were briefly discussed, along with the top five candidates.

Motion: Motion was made by Commissioner Henderson and seconded by Commissioner Pelletier to contact all eighteen applicants to schedule another interview. Motion carried unanimously upon roll-call vote.

Kevin Obos, City Attorney

City Attorney Obos updated Commission on the AWT mediation, advising it is ongoing.

He also advised, regarding the former City Manager, stating Mr. Collins had agreed to pay \$100 to settle prior to the proposed Small Claims Court case against him for unauthorized leave time taken.

Motion: Motion was made by Commissioner Covey and seconded by Commissioner Henderson to accept the \$100 payment from Mr. Collins. Motion carried unanimously upon roll-call vote.

Commissioner Pelletier wanted to make sure that monies owed to the departing City Clerk be paid as appropriate to alleviate any problems in the future as happened with Mr. Collins.

Commissioner Henderson recommended the City Clerk inform prospective interviewees that the meeting will be televised.

City Manager Fuller asked if Commission wanted to entertain designating an Interim City Clerk. After discussion of the item, Commission consensus was that current salaried staff will fill in.

ANNOUNCEMENTS

Mayor Abbott read this month's announcements.

ADJOURNMENT

There being no further business, motion was to adjourn the meeting.

Sandra Hirth, City Clerk

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
REGULAR WORKSHOP MINUTES
JULY 27, 2015 – 6:00 P.M.**

The Callaway Commission met in Pam Henderson, Mayor Pro tem and Commissioners Melba Covey and Bob Pelletier. Also present was J. Michael Fuller, City Manager; Kevin Obos, City Attorney; Beverly Waldrip, Finance Director; Tim Legare, Leisure Services Director; David Joyner, Fire Chief; Trevor Noble, Public Works Director; Lisa Koepke, Assistant to the City Manager and Amanda Hopkins, Records Clerk. Thomas Abbott, Mayor and Commissioner Ralph Hollister were absent.

The meeting was called to order by Mayor Pro tem Henderson followed by an invocation and the Pledge of Allegiance.

CONSENT AGENDA

Commissioner Covey indicated concern over **the multitude** of budget transfers and the need to clarify the reasoning for the benefit of the citizens.

Budget Transfer – Leisure Services Department

Commissioner Covey asked about a discrepancy in **Other Contractual Services** where it shows an increase instead of a decrease as referenced in the description. Leisure Services Director Legare clarified that **it is a decrease** due to allocated positions not being used.

She asked about the \$8,724 allocation for R&M, repair and maintenance for buildings. Director Legare advised \$7,000 will be spent on the school house, to include painting, replacement of old wood and the steps. He advised there are three buildings in the historical area. The other two will need repairs in the future.

PUBLIC PARTICIPATION

John Piercy 325 Beulah Avenue indicated he is the new Historical Society President and invited all to their meetings on the 3rd Sundays, from 3-4 and open house from 4-5. He reviewed work being done, advising Director Legare has worked closely with the Society. Mr. Piercy further reviewed membership, indicating the community has really helped out. The Fall Festival will be on Halloween, Christmas decorating from December 17th through 27th, and they are looking for any church choirs to do carols.

Budget Transfer – Street Department

City Manager Fuller these costs are for engineering and road materials. Commissioner Covey stated many streets need paving. City Manager Fuller advised paving would be another line item. There are six streets scheduled to be paved this year.

Budget Transfer – Solid Waste Department

Commissioner Covey asked if tipping fees are being duplicated in other line items. City Manager Fuller advised there are currently two line items but that he and Public Works

Director Noble will be reviewing for possible consolidation. This year, the \$10,000 extra is needed in Other Contractual Services and will provide details at tomorrow's meeting.

PUBLIC PARTICIPATION

John Malone, 707 Plantation Circle asked if the Solid Waste refers to the yard debris that is put out each week. He asked if the city had considered contracting with Waste Management.

City Attorney Obos advised the city does its own. Mayor Pro Tem Henderson stated it would cost more to contract this out. City Manager Fuller indicated there will be a small surplus this year.

Budget Transfer – Sewer Department

Commissioner Covey asked if this transfer is going to create a problem for next year in R&M Collection system. City Manager Fuller advised that it should not.

Commissioner Covey indicated one of the lift stations is in really bad shape. She asked what about the status of the collection system repairs. City Manager Fuller is still anticipating repairs. The \$63,000 is for routine maintenance.

Budget Transfer – General Government

City Manager Fuller advised this is to transfer \$1,900 from R&M Building and Grounds within General Government \$1,000 from Machinery and Equipment to Other Contractual Services to cover the cost of Municode for updating the Code of Ordinances.

Discussion of the importance of being more accurate in allocations to line items and renovations of City Hall ensued. The painting and pressure washing the outside of the building, as well as painting, with carpet and tile cleaning on the inside was recommended when renovating the Customer Service area. City Manager Fuller is hoping that renovations to the Customer Service area will be done next Fiscal Year.

PUBLIC PARTICIPATION

John Malone, 707 Plantation Circle, pointed out that the records building in back of City Hall needs attention as well.

Budget Transfer – Fire Department

City Manager Fuller advised this is a request for transfer of monies in the amount of \$925 received from Insurance Proceeds received via a Florida League of Cities claim for a damaged radio, to Other Current Charges so that a new one can be purchased.

He advised the second transfer request is for \$5,300 Rentals and Leases to Capital Machinery and Equipment for a gas fan and Vetter rescue airbag system with an extra bag.

Budget Transfer – Fleet Maintenance Department

City Manager Fuller advised the request is in the amount of \$1,500 from Fuel & Lubricants and Operating Supplies to R&M Machinery & Equipment for blanket purchase orders for parts.

Budget Transfer – Planning Department

City Manager Fuller advised the Planning Department is requesting a budget transfer in the amount of \$6,950 from Animal Control to Other Contractual Services, R&M IT Equipment and Other Current Charges.

Commissioner Covey referenced the allocated amount for Animal Control. City Manager Fuller advised Animal Control quarterly service charges this fiscal year have been less than anticipated, allowing the funds to be applied to other charges for IT/computer repair and maintenance.

Commission asked for an explanation of overages for notices of \$4,700. City Manager Fuller advised it was advertising and legal requirements for annexations and the Large Scale Comp Plan amendments. Commissioner Covey requested a review of fees being charged by the city for these costs.

On Other Contractual Services for Pebble Ridge Commissioner Covey asked if they have increased their fees. City Manager Fuller said it was in conjunction with the Primrose Lane vacation of right-of-way. Discussion continued of the City's processes.

Request Approval of the 2015 Asphalt/Paving Bid Selection

City Manager Fuller asked for approval of the 2015 Paving List bid to C.W. Roberts, Inc. at the not-to-exceed amount of \$100 per ton. All six streets on the paving list will be able to be paved at this cost.

PUBLIC PARTICIPATION

John Malone, 707 Plantation Circle asked how often the City Manager planned to have the budget transfers on the agenda. City Manager Fuller advised as needed within departments. Mr. Malone indicated that as long as the monies are in the amounts originally approved by the Commission they should not have to come before the Commission. City Manager Fuller advised the Commission asked for review of these items.

Financial Update

Commissioner Pelletier asked if the figures for Code Enforcement expenditures, as well as Streets, are accurate. He asked why it is only at 48% in the third quarter. City Manager Fuller will look in to it. Finance Director Waldrip advised all the expenditures are evenly throughout the year, such as once a year bond payments, reduced Animal

Control, and deficiencies in staffing. There is also a PO for meters that have not been expended.

Commissioner Pelletier asked where the reconciliation process is. Finance Director Waldrip indicated January is finished. Alice Bennett is working part time to help with this process. Left over audit money is being used to pay her, which was discussed.

Commissioner Pelletier asked how, with the reconciliation process so behind, the numbers presented can be accurate. Finance Director Waldrip advised money is going out, bills are being paid. She also goes through all the major expenses from the bank statement and the state, reviewing variances and makes sure the funds are there. The overall monthly statement is reviewed for possible omissions. Postings are still being made and are current. The City Manager advised that once the reconciliation process is caught up it will stay current and accurate. Finance Director Waldrip advised she is working diligently on improving efficiencies and processes but the budget is the top priority right now. Springbrook was discussed as well.

PUBLIC PARTICIPATION

John Malone, 707 Plantation Circle was confused as to where we are with Springbrook and advised the City Manager and Mayor should be submitting a letter to them to request a status update.

OLD BUSINESS

Audit Engagement Letter – Warren Averett

Mayor Pro tem Henderson advised this is for the third year auditing services for Fiscal Year ending September 30, 2015. Next year will require an RFP be issued for Auditing Services.

PUBLIC PARTICIPATION

John Malone, 707 Plantation Circle, referencing the Audit Report for FY2014, reviewed the deficiencies listed therein, noting nothing has been brought to Commission that these items are being resolved.

Amending the Salary & Wage Schedule

Commissioner Covey advised she is concerned with the entire personnel ranges. Mayor Pro tem Henderson wasn't comfortable with just giving the Firefighter's increases. Commissioner Covey indicated there are others in the City making under \$10 per hour and wanted all the salary ranges to be reviewed for changes across the board. Mayor Pro tem Henderson asked if the people whose titles are changing are qualified for these positions. Position descriptions, grades, and salary ranges were discussed, per the auditor's recommendation.

Commissioner Consensus was to pull the item pending a workshop to discuss.

PUBLIC PARTICIPATION

Dolly Andrew, 5104 Collins Street stated the City Manager should show a little bit more tack and professionalism towards Commission.

REGULAR AGENDA

Resolution No. 15-19 – Adopt the Updated Bay County Mitigation Strategy

City Manager Fuller advised this is the updated version.

Certify Maximum Millage Rate

Mayor Pro tem Henderson advised the **maximum millage rate** certified by Commission will not be able to be raised, only **lowered** for the final rate for FY2016. City Manager Fuller advised staff recommendation is 3.2045 with the option of lowering the final rate for FY2016, as recommended by the Florida Department of Revenue.

Ordinance No. 960 - Amend Code of Ordinances: Restricting Pools, trampolines, Etc. In Front Yards

Mayor Pro tem Henderson indicated she would like to see restrictions on basketball hoops in the front as well because there are dangers of children running into the street. City Manager Fuller advised there is already a restriction for that. Mayor Pro tem Henderson then referenced boats parked in the front yard as well. Commissioner Covey agreed. Code Enforcement Officer Frye stated this will be another tool available if Code Enforcement finds a violation.

PUBLIC PARTICIPATION

John Malone, 707 Plantation Circle stated that around 6 years ago he had provided an ordinance from Brevard County spelling out this issue. He also gave a copy to City Manager Fuller last year. He'll supply another copy. He thought it was a Florida law that a regular pool must be fenced in.

Resolution 15-20 – Establishing a Title VI Nondiscrimination Policy

City Manager Fuller reviewed the proposed policy, which is a requirement of the FDOT Local Agency Program in order to receive funding from their organization.

Labor/Employment Legal Services

Commissioner Pelletier did not understand why the City would want to use an attorney in Tallahassee when we already have an attorney. He recommended Commission give direction to staff to issue an RFP. City Attorney Obos advised it is not necessary, that his firm can do these things as well. Commissioner Covey felt we should have qualified

labor attorneys in town versus paying expenses for an attorney from Tallahassee. Commission concurred.

PUBLIC PARTICIPATION

John Malone, 707 Plantation Circle referenced rates charged to City by previous attorneys retained. He was in favor of keeping it local as well.

Establish a Policy for Residential Water Leaks and Breaks

Commissioner Covey requested this Item to be pulled as the City already has a policy in place. She reviewed the issue and didn't feel comfortable with citizens being charged for someone to go out and verify the leak. Finance Director Waldrip advised we allow the homeowner to submit a letter with receipts stating they had a leak and hired a plumber to fix it to receive an adjustment to their bill. Commissioner Covey asked the City Manager to check on a citizen's request for adjustment and to make sure staff is aware of the policy.

There being no further business the meeting was adjourned.

Amanda Hopkins, Records Clerk

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
SPECIAL MEETING MINUTES
SEPTEMBER 16, 2015 – 6:00 P.M.**

The Callaway Commission met in special session with Thomas Abbott, Mayor and Commissioners Melba Covey, Pam Henderson, Bob Pelletier and Ralph Hollister. Also present was J. Michael Fuller, City Manager; Kevin Obos, City Attorney; Janice L. Peters, City Clerk; Beverly Waldrip, Finance Director; and Lisa Koepke, Assistant to the City Manager.

The meeting was called to order by Mayor Abbott, followed by an invocation and the Pledge of Allegiance.

REGULAR AGENDA

Public Financial Management, Inc. - Capital Improvement Revenue Bond Refinance and Proposal

City Attorney Obos advised the meeting is to engage the financial advisor, who was involved in the 2007 bond process. He felt the same people should be in place to handle this transaction. Mitch Owens, Underwriter for RBC Capital Markets, was also present. City Attorney Obos indicated they will be presenting alternative options, which lends itself towards your typical refunding, to take advantage of lower interest rates.

Jay Glover, with Public Financial Management, Inc. (PFM), attended via phone and apologized for not making the meeting in time. He advised they are an independent financial firm and their one goal is to get the city the lowest structure at the best price available. He indicated they are a fiduciary to the city working with the underwriter and legal team to help structure the transaction and help with the pricing of the transaction. The first thing will be to engage the best structure for the transaction in terms of the best security source, such as the Capital Extension B, along with a covenant to budget and appropriate from legally available non-ad valorem revenue.

Preliminary discussions have been of the possibility of the water and sewer funds to secure the bonds, given the nature of the original projects financed. But, based upon preliminary work he doesn't think it will be appropriate to secure these funds by the water and sewer systems because of legal covenants the city would have to adhere to that could potentially affect the level of water and sewer rates that are needed.

Further discussion will be had regarding the security of the bonds and determining what is most appropriate for paying the bonds back, as well as the best financing vehicle to use, such as a direct placement bank loan type product or a publicly offered bond transaction similar to the one used in 2007. Following discussions with the City Manager and the City Attorney, it is likely a publicly offered bond transaction will be most appropriate, mainly because it is a 22-year transaction and the city is unlikely to find a bank willing to lock in a fixed rate for that term. Most banks want to be within 10-15 years of final maturity. Further discussions with Mr. Owens and the banking community will take place.

Mr. Glover advised they are the largest financial advisor firm in the country, working for cities and counties, large and small, throughout the state.

Mitch Owens, Underwriter for RBC Capital Markets advised he was the underwriter on the initial bonds in 2007. He noted it was a sound financial picture at that time until 2008 when the recession came. He has been working with the city to restructure the debt, indicating Federal

guidelines have to be utilized and the interest rates at this time would warrant consideration for review.

He presented Commission with four different alternatives that outline the guidelines given by staff to try to come up with solutions based on those parameters.

Mr. Owens pointed out that for prior debt there is \$1,438, 825 in annual debt service. That is the number being paid now on debt service and the city is not getting special capital extension fees in that amount coming in. The city has been able to pay off the annual debt service by utilizing unused proceeds from the previous bond issue. Rounding off numbers, he indicated the city has approximately \$1.4 million left in the project fund that can be used to pay down the debt, as well as \$1.4 and interest in the debt service reserve fund, a cash reserve required when the 2007 bonds were issued. In talking with bond council, the city will have to use this \$2.8 million if refinancing the debt, lowering the overall cost of the borrowing.

The interest rate on the current bond ranges from approximately 4.5% to 5.25%. The average is around 5.15%. While it was his opinion that they should be able to beat that interest rate, he was concerned that the decision may be made to increase rates, and felt it to be appropriate to try to take advantage of the current low interest rate environment, as opposed to waiting until 2017.

There are two types of refinancing, one being an advanced refunding, which is allowed once for each bond issue, and current refunding which can be done on the call date.

In brief, Alternative 1, Uniform Annual Savings, will refinance the current bond issue and lower the annual debt service by \$283,000 per year. The debt service payments will go from \$1,438,000 to approximately \$1,200,000.

Alternative 2 also utilizes a Uniform Annual Savings but with the city providing additional equity, including the \$2.8 from the project and debt service reserve funds. They recommended \$1 million, increasing the savings and lowering the payments to \$1,138,000 annually. However, the end goal is to give the city latitude over the next 5-years in hopes that the growth in the peninsular will take place and the special extension fee will come up, alleviating the need to dip into any of the city's funds to pay off the debt.

Alternative 4 will require payment of interest only in the first 5-years, during which the debt service savings are large, then dropping to minimal savings over the life of the issue. The debt service goes down from \$1.5 million to approximately \$800,000 per year, giving the city a lot of flexibility.

With Alternative 3, the upfront savings are again over the first 5-years, but with \$1 million in additional equity by the city. The debt service payment is being reduced but additional savings is being seen in the remaining years of the bond issue.

Mr. Glover stated it is their opinion that now is a good time to be entering into the market place, taking advantage of the lower interest rates and giving the city the opportunity to restructure the debt, allowing approximately 5 years for additional growth to come in without putting any hardships on the debt service side.

A couple of other issues outstanding are SRF loans and an additional loan from the water and sewer system for the water tank. Their recommendation is for the city to consider paying those off as well because they are both at a high interest rate, with reserve earnings being miniscule.

The thinking in looking at the overall financing program was to eliminate as much debt as possible, by paying off with reserves, then restructuring the 2007 bond issue utilizing the same security, allowing them to move faster into the market with less problems moving forward with covenants and future water/sewer debt. It also gives the city the flexibility of adding additional equity, thereby lowering the overall costs for borrowing.

Commissioner Covey asked if there is a balloon payment on the water and sewer loan in 2019. Mr. Glover stated there is, but there is no pre-payment penalty attached to that loan. Commissioner Covey asked about the pre-payment penalty on the capital extension bond. City Attorney Obos advised it is not a pre-payment penalty but negative arbitrage, which Mr. Glover explained means that in doing an advanced refunding, the funds will go into escrow, allowing the current paying agent to make those payments until 2017, at which time the bonds are called.

Mayor Abbott reviewed that the commitment is from Jay Glover to be officially onboard to do the research and if the city felt comfortable to indicate a preferred option. Mr. Glover, as the underwriter, will continue in that direction of putting the financing together.

Commissioner Covey asked what the advantage is of 5 years over 3 years. City Manager Fuller recommended Alternative 3 for 5 years, which will realize the most savings, around \$1 million.

Mayor Abbott would like to see the 3 year interest only option, but is in favor of Alternative 3 because of overall savings.

City Attorney Obos clarified that the thing to do is to bring Mr. Glover on board and authorize the financing team to move forward. In the mean time the Bond Council can get going as well.

Commissioner Covey asked how long till something comes back to Commission. City Attorney Obos advised it will be 45-60 days to close. Mr. Glover indicated a formal bond resolution for approval could be presented in 30-45 days depending on how the meeting days fall.

Mr. Owens indicated he and Mr. Glover would still need to present to Commission what they have found for consideration of terms, then they would move forward with the resolution after Commission makes a final decision.

Mayor Abbott summarized that Jay Glover, with PFM, has a proposal to represent the City.

Motion:

Motion was made by Commissioner Covey and seconded by Commissioner Henderson to accept the PFM proposal as presented. Motion carried unanimously upon roll-call vote.

Mayor Abbott called for public input; there was none.

Mr. Glover added that the fee outlined in the proposal is contingent upon successful completion of this transaction. If for any reason they hit a roadblock, because of the structure or the interest rate market, there will be no cost to the city for engaging PMN. Everything is contingent on the financing closing with the fees being paid out of the bond proceeds of the transaction.

Mayor Abbott asked if the October 27th meeting of Commission fell within a time frame that PFM could, in working with Mr. Owens, have something to present to Commission. Mr. Glover advised that should work.

Mayor Abbott wanted to look at the 3-year option but also liked the savings afforded with Option 3.

Commissioner Pelletier added that with sitting on reserve funds that are earning less than 1% and with refinancing at 3-4% he hoped staff would look closer at all options to make sure the city is left with sufficient reserves. Commissioner Hollister agreed. Mayor Abbott reiterated that he likes the idea of paying more upfront, as long as the reserves left leaves the city in a zone they feel is safe. Commissioner Pelletier asked that the City Manager bring that information back to Commission.

City Attorney Obos reflected on the scenario that if the city contributes \$1 million dollars of reserves that saves for instant \$65,000, the city is not going to make \$65,000 on that money just sitting.

Mayor Abbott advised he isn't sold that \$1 million is the magic number, if there is more reserves that can be paid up front he would like to see those numbers as well.

City Attorney Obos advised there is about \$7 million in unrestricted reserves. Commission agreed that 17% reserves is optimum. It was noted that the savings of refinancing will also contribute to reserves.

City Manager Fuller to look at the \$1 million and see what additional reserves can be contributed staying within the 17% reserves.

Commissioner Henderson asked what the rate is right now. Mr. Owens felt it would be around 4% conservatively.

ADJOURNMENT

There being no further business, motion was made to adjourn at 7:10 p.m.

Janice L. Peters, MMC, City Clerk

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
BUDGET WORKSHOP MINUTES
SEPTEMBER 20, 2015 - 8:00 A.M.**

The Callaway Commission met in workshop session with Thomas Abbott, Mayor and Commissioners Melba Covey, Pam Henderson, Bob Pelletier and Ralph Hollister. Also present was J. Michael Fuller, City Manager; Janice L. Peters, City Clerk; Beverly Waldrip, Finance Director; Tim Legare, Leisure Services Director; David Joyner, Fire Chief and Lisa Koepke, Assistant to the City Manager.

The meeting was called to order by Mayor Abbott followed by an invocation and the Pledge of Allegiance.

FY2015/16 Budget – Review

City Manager Fuller, following direction of Commission at the Special Meeting on the 16th, reviewed additional money available for bond refinancing. He referenced page 37 of the draft budget, under the water fund, the payoff of the 2008 Water/Storage Tank Bonds, and on page 41 the money being applied towards the Capital Extension funds. This is higher than previously presented but it's as much as the City could apply and be safe to cover future payments and obligations.

For point of clarification, Mayor Abbott asked about the \$1,000,000 proposed in additional bond money upfront as discussed at the September 16th Special Meeting. City Manager Fuller confirmed the \$4.226 million is the recommendation, in lieu of the previously recommended \$1 million. He advised the fund balance would still be above the 17% threshold. On page 8, Anticipated Reserve Balances, City Manager Fuller pointed out there is still a good 88% in the City's anticipated net position.

Mayor Abbott wasn't sure he understood the change from the \$2.116 million on page 37. Finance Director Waldrip advised that they were going to incorporate the payoff of that loan into the refinance and now it is being done separately. The water fund balance is a lot less than the sewer. It was always there but in the refinance. The extension bond costs were reflected in the sewer fund.

Commissioner Hollister

Commissioner Hollister referenced the debt refinancing and the savings.

Commissioner Pelletier

Commissioner Pelletier, referencing the take home vehicle for Fire Chief Joyner, asked if staff can provide a number reflecting how many times the Chief has had to come in after hours over the last couple years. City Manager Fuller will provide those numbers. Fire Chief Joyner thought 3-4 times a month.

Commissioner Pelletier advised citizens have inquired as to why the Fire Chief is allowed to take the city vehicle home. He asked if this affects the city's ISO rating. City Manager Fuller has a call in to get that information. Fire Chief Joyner advised he goes for manpower on scene and the vehicle can be used if needed. These documented fire reports do affect the ISO rating. Discussion continued. City Manager Fuller advised there is no adopted vehicle policy. Commissioner Pelletier felt it would be better to pay the Fire Chief mileage to come to the fire station in emergencies and pick up the vehicle. Commissioner Henderson thought this to be a good reason to have a Fire Chief that lives within the city. Fire Chief Joyner advised he lives about 5 miles from the fire station.

City Manager Fuller pointed out that regardless of Commission's decision on the take home policy, it is still his recommendation that the current vehicle be replaced. Mayor Abbott felt the disadvantage would be having the drive from home to the station to pick up the city vehicle. It was his thoughts that any take home vehicle policy should be based upon the need, the time, and the ability to respond to work related issues. Fire Chief Joyner reviewed that all the information and supplies he needs for any emergency call is in the vehicle and he does not drive the vehicle for personal errands. Discussion continued.

Training

Commissioner Henderson asked why, if the city is spending \$20,000 for Springbrook to come here to do training, are we still budgeting money to send someone to the Springbrook Conference. Finance Director Waldrip felt the training here is very specific to clean up implementation issues. The conference allows one to learn much more about the system and capabilities. Commissioner Henderson thought having people away at conferences only contributes to the city getting more behind. Finance Director Waldrip advised no one has gone to the conference in a couple years. She is hoping there will be a closer conference and will only go if there is time and staff. Mayor Abbott advised that overall he is in support of training depending on the time of year and the workload.

Finance Director Waldrip advised there are a lot of things in Springbrook not being utilized that can be covered at conferences and understand how other cities are using those modules and if they would be beneficial to the city. Commissioner Henderson felt this year staff needs to be focusing on learning what we already have and being proficient in that before looking further. Finance Director Waldrip advised she just put what had been budgeted in prior years but there is additional staff that may need training. She would also like to get involved with other Florida entities available to finance staff.

Commissioner Pelletier advised that Springbrook offers free training on their website via webinars and it does not cost the city anything. He advised scheduling training for staff monthly during slower times.

Commissioner Henderson asked City Manager Fuller if he is looking into in-house customer service training. He advised he is exploring a couple different venues.

Vehicles

Commissioner Henderson advised she had visited the State Contract and there was a smaller Nissan Frontier that is cheaper than the Ford F-150. City Manager Fuller advised it is a base model, which is hard to find locally. He advised that, although the V8 isn't necessary in all cases, it is often the cheaper alternative. She asked if we have tried going through a bid process. City Manager Fuller advised not locally but he can look into that option.

Mayor Abbott advised, regardless of what is approved, he would expect that the best, most cost effective purchase would be made. City Manager Fuller agreed.

Commissioner Henderson asked for details of the \$4,500 hot water pressure washer for the Maintenance Shop on page 28. Mayor Abbott advised most are not hot water. Commissioner Covey understood that it is for cleaning grease, etc.

Commissioner Pelletier asked about the Ram 3500 in Public Works and if it is gas or Diesel. He indicated 89,000 miles on a diesel engine is not even broken in. Commissioner Covey advised that's the one she would recommend replacement. City Manager Fuller will get specifics.

Commissioner Covey asked if anyone has cancelled their request for vehicle replacement.

City Manager Fuller advised one Meter Tech had been terminated and staff could do without replacement until the water meter change over is complete, freeing up that truck to be used elsewhere in Public Works.

Director Noble advised the additional person would not be needed once the meters are all replaced. The Ranger will be repurposed in the Water Department, the F-150 will be repurposed within the Street Department. The Ranger, truck #49 replacement can be pulled. It will be sold but not replaced.

Commissioner Covey, regarding Code Enforcement vehicle replacement, advised new recommendations for repairs had been added, such as a motor rebuild, an a/c compressor, and a seal replacement. She reviewed the repairs previously listed as a rear main seal and head gasket. City Manager Fuller advised the Fleet Maintenance Mechanic has said for a while that the motor would need to be replaced. The initial information submitted was work orders. Commissioner Covey reiterated her stance that this vehicle does not need to be replaced at this time.

Commission consensus was to replace all recommended vehicles, with the exception of vehicle #49.

Commission consensus was for staff to present a policy on take home vehicles.

Commissioner Henderson stated, in lieu of pay raises staff will get an additional \$100 toward their insurance. She asked if this would apply to people who have been here a year or for a few months. Also anyone not taking the health insurance benefit, do they get the one-time \$1200 benefit or the extra \$100 a month?

City Manager Fuller advised the \$100 would be added to employee paychecks. Seven employees who are not on the city's health insurance plan would receive the one-time bonus but at the end of the Fiscal Year. This would address people who quit or decide to take the insurance sometime in the year.

Mayor Abbott felt presenting this as "in lieu of a raise" may not be the best way to address it. He thought either the \$100 a month or the bonus at the end of the year would be the better way to go.

Finance Director Waldrip advised the budget reflects what was in the budget last year. The enrollment elections are just now being completed and the costs are not significantly different. The \$1,200 for non-insured employees has not been added to the budget yet because of vacancies.

Mayor Abbott recommended waiting until City Attorney Obos is here to get a legal opinion on a process. Discussion continued.

Commissioner Covey

Page 14 Revenues & Resources

Commissioner Covey asked if the stormwater increase includes the 120 new sewer only customers that are supposed to connect to the city's system after the first of the year. Finance Director Waldrip advised it is an estimate of current projections only and does include the 120.

Training

Commissioner Covey asked, after extensive discussions, if the Springbrook conference training can be removed until the current training is complete. Commission consensus was to include but to make a work-related decision to go only if there is time and to reduce the \$10,000 amount for Finance training by \$3,000.

HR Training

Commissioner Covey asked is there not anything local for FRS and Payroll training. City Manager Fuller advised the FRS training is normally based in Tallahassee for state-wide training. Commissioner Covey felt there should be training available locally. Finance Director Waldrip advised a notice had been received indicating our reporting was not up to date. FRS recommended annual training. Staff recommendation was to include HR annual training and City Manager training, as well as the City Clerk's office training, which she reviewed, stressing the importance of employee training.

Commissioner Covey asked if Springbrook's training includes travel for them. City Manager Fuller advised it does not but advised there is plenty in the \$60,000 budgeted to cover the travel costs. She recommended the city make their reservations to save money.

Commissioner Henderson asked if they stay local. City Manager Fuller didn't know if they paid their own way. Commissioner Pelletier advised that if they come between November and February he will put them up for free at the beach.

IT Hardware/Equipment

Commissioner Covey asked about E-mail Exchange IT costs "subject to change". City Manager Fuller advised we currently get e-mail service through GoDaddy.com. The e-mail exchange will replace GoDaddy. She asked about the annual MS Licensing Fee. City Manager Fuller indicated it is the per-computer license needed for each employee and covers any upgrades needed.

A brief break was taken.

Commissioner Covey inquired of all the IT hardware listed. City Manager Fuller indicated all the equipment we had was very old and this includes some upgrades. Commissioner Pelletier stated the servers will never have to be replaced at city cost. He knew some equipment had been replaced and Planning and Code Enforcement was overlooked in the beginning. These are costs to replace computers if they need it. Commissioner Covey asked about the three Thin Clients. It was noted that those were in anticipation of replacement for desktops this year.

City Clerk Peters explained the difference between the Thin Client, which stores your information directly on the server, versus a desktop, which stores all your information on its hard drive.

Commissioner Covey asked why there are 16 e-mail accounts for the Fire Department. City Manager Fuller advised it is just for their e-mails accounts, for compliance.

Callaway Arts & Conference Center Manager

Commissioner Covey has a problem making this a permanent position as opposed to a contracted position due to added benefits. She recommended hiring him as an independent contractor. City Manager Fuller agreed that if he came on and left the position a new employee may need the benefits, which would cost more.

Commissioner Pelletier advised that as a contractor he would have to buy his own workers compensation insurance. Patricia Johnson, HR Assistant, explained the process.

Commissioner Covey recommended staying as is. Director Legare explained the operational side of the position, which is a salaried position. Commissioner Covey asked if the position would be advertised and requested a job description. City Manager Fuller indicated the Commission does not approve job descriptions, only the salary and wage schedule. Commission consensus was to make the position a city position.

Lockbox

Commissioner Covey asked if the cost of the Lockbox is factored into this budget. City Manager Fuller advised it is included and it is his recommendation to make it permanent. Commissioner Covey asked what had been paid in overtime and if the Lockbox fees have been more than the overtime. She asked for details showing how much has been saved, to include bank fees and overtime, as well as how the drop-box items are being sent to be processed. City Manager Fuller advised on busy days the payments are sent to the Lockbox for processing. Commissioner Covey advised that was not supposed to happen. Lockbox was only supposed to process what was being mailed to them directly. She asked for costs of hiring someone part time. City Manager Fuller will provide savings but advised the most cost-effective solution is using the Lockbox. Finance Director Waldrip advised the scanner from the bank costs \$38 per month and there is a per-item cost as well.

Commissioner Henderson expressed concern over the delay of getting the checks to the lockbox that haven't been mailed directly there, citing more opportunity for error. Commission requested a true accounting of costs related to this process. Finance Director Waldrip advised the greatest benefit is in the efficiency and time saving.

Commissioner Pelletier advised it was never the intention to sit on payments for 3 weeks. Finance Director Waldrip advised that is no longer happening and only happened because staff was overwhelmed. Commissioner Covey again recommended a part-time person 3 days a week at \$10 per hour.

Commissioner Covey reference bad debts, which had been zeroed out, and asked if they had been written out. Finance Director Waldrip mentioned it to the auditors and will need to find a way to expense those amounts.

Regarding the proposed part-time employee, City Manager Fuller advised the city is still required to pay taxes and FRS. Commissioner Covey did not agree. City Manager Fuller will bring back the numbers.

PUBLIC PARTICIPATION

Dolly Andrew, 5104 Collins St. commented on the Dodge Ram 3500 advising her son's has 200,015 miles on it. She felt the Code enforcement truck would be cheaper to repair than replace. She asked if any of the rooms are being rented out at the Planning office. Mayor Abbott advised no. She agreed with leaving the Arts & Conference Center Manager position as is. She advised, regarding the Lockbox, that bills were bundled and sent to Destin in July and August.

Brigid Johnson, 7509 Melody Lane felt that at meetings and workshops on the budget, citizens should have 5 minutes to speak. She commented on the requested vehicle replacements, Lockboxes, and felt all Springbrook training should be done in-house this year.

Jean Champoux, 621 S. Berthe Ave. commented on the budget, which she felt still needs to be scrutinized, including the \$229,000 vehicle replacement and Springbrook training.

Commissioner Covey

Commissioner Covey asked why the planning department is requesting conference room furniture. City Manager Fuller advised the previous furniture was reallocated to storage then to public works after renovations. He advised significant amount of time is spent on code enforcement but the conference room is used for planning. She felt the Code Enforcement Officer should be doing Code Enforcement work 90% of the time, not planning. The cost is about \$1,500 for a new table.

Commissioner Covey asked what will be done to service citizens when customer service is under construction and has there been an estimate to do the work. City Manager Fuller advised the \$50,000 is an estimate because contractors want to know they have the work before giving an estimate. Commissioner Covey did not feel comfortable approving money for work that may not be needed.

There being no further business, the meeting was adjourned at 11:08 a.m.

Janice L. Peters, MMC
City Clerk

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
REGULAR WORKSHOP MINUTES
SEPTEMBER 21, 2015 – 6:00 P.M.**

The Callaway Commission met in workshop session with Mayor Pro tem Henderson and Commissioners Melba Covey, Pam Henderson, Bob Pelletier and Ralph Hollister in attendance. Also present was J. Michael Fuller, City Manager; Kevin Obos, City Attorney; Janice L. Peters, City Clerk; Beverly Waldrip, Finance Director; Tim Legare, Leisure Services Director; Bill Frye, Zoning & Code Enforcement; David Joyner, Fire Chief; Trevor Noble, Public Works Director and Lisa Koepke, Assistant to the City Manager. Mayor Abbott was absent.

The meeting was called to order by Mayor Pro tem Henderson, followed by an invocation and the Pledge of Allegiance.

For clarification, City Clerk Peters reviewed the following issues:

- **Budget Hearings:**
F.S. 200.065, regarding no hearing to be held on a **Sunday**, only refers to the 1st and Final Public Hearings for the Budget. It does not apply to Budget Workshops or regular meetings.
- **Budget Workshop:**
At the 1st Budget Hearing on the 10th, at the end of the discussion on holding the Budget Workshop on Sunday there was consensus of Commission. Mayor Abbott could not make it any other day, Commissioner Henderson and Commissioner Covey would have “preferred” to not have it on a Sunday, and Commissioner Hollister had no preference. In the end it was a unanimous consensus to direct staff to set the workshop for Sunday.
- **Tomorrow’s meeting Time Clarification:**
The schedule of tomorrows meetings will be as follows: Beginning at 6:00 p.m., the Final Budget Hearing will be held first, followed by the CRA Budget Hearing, then the regular meeting of Commission, concurrently. Statute dictates that a meeting may begin after the posted time but not before. Not knowing the lengths of the meetings it is common practice to schedule them all to begin at the same time, running concurrently.

CONSENT AGENDA

Budget Transfer – General Government

City Manager Fuller advised this transfer is for repair of the shed at City Hall.

Financial Update – Budget in Brief

City Manager Fuller advised this is reconciliations through June.

Accounts for Collections

Commissioner Pelletier asked if the last bill reflected for 2014 is accurate. City Manager Fuller advised it is. Commissioner Pelletier expressed concern for sitting on delinquent accounts for so long. He felt that at the end of 60 days it should be sent to collections at that time.

Mayor Pro tem Henderson asked if there is a different deposit for commercial accounts. City Manager Fuller advised it depends on the different sized meters for commercial. City Manager Fuller will get that information.

Commissioner Covey asked about commercial meters. She felt commercial should have the same deposit regardless of meter size. City Manager Fuller advised the deposit is \$250. Mayor Pro tem Henderson felt commercial accounts should have a higher deposit than residential.

Delinquent accounts being sent to collections were further reviewed. City Clerk Peters retrieved and reviewed the deposit amounts as adopted in Resolution No. 13-27. Mayor Pro tem Henderson recommended adding the issue to the October agenda for discussion.

OLD BUSINESS

FY2014 Audit Findings

City Manager Fuller provided a detailed description of where each item is at this time. Commissioner Covey asked that continued updates be provided.

REGULAR AGENDA

Resolution No. 15-25 Setting FY2015/16 Meeting and Holiday Schedule

Commission consensus was to move November and December meeting to the third Tuesday because of the holidays. The November Workshop and Regular Meeting will be on the 16th and 17th and December's Workshop and Regular Meeting will be on the 14th and 15th.

Discussion of the scheduling of the Budget Workshops for the next Fiscal Year ensued. Staff will readdress the issue of scheduling in January.

Resolution No. 15-26 Approving Annual Wholesale Rate Adjustment for Sewer

City Manager Fuller advised Commission asked to review this item annually instead of automatically passing the adjustment to the consumer. Finance Director Waldrip advised the increase amounts to about \$200,000, which would come from reserves. Commission Consensus was to absorb the amount instead of passing it on to citizens. City Attorney Obos explained what commission directed last year, advising this rate will continue to increase annually. Staff will make the adjustment within the budget and provide the updated sheet to Commission at the Final Budget Hearing.

BUDGET REVIEW

City Manager Fuller reviewed the adjustments made, as directed by Commission. He advised a Meter Technician has been let go and the position will not be filled. This frees up \$30,000 in the budget. The truck that had been requested for Department of Public Works had been pushed back to 2017 but has now been removed as it will not be needed with the change in personnel.

Vehicles - Trevor Noble, Director of Public Works, after review of staff needs, recommended selling the lift station crane truck scheduled to be replaced in 2018 for \$125,000 and taking the \$65,000 budgeted for replacement of truck 59 to purchase an F-250 fitted with a small crane. They would then take the 7500 currently used for large boom and repurpose that vehicle for just

pulling the ditch witch, saving the city money. Commissioner Covey felt Department of Public Works had trimmed their budget better than any other department in the city. She asked if the \$65,000 for the 1-ton 4X4 utility truck is a set amount. Director Noble referenced the plan as discussed previously for replacement and felt the cost may be cheaper.

Health Insurance – City Manager Fuller advised that open enrollment for Health Insurance is complete and cost have been entered into the budget. Costs were reduced by \$9,971. He advised the \$100 per month for employees who do not carry the city's health insurance should be applied evenly, whether new or current employees.

Fixed Assets sales – City Manager Fuller advised the city uses Govdeals for auctioning vehicles.

Meter Installation Project – City Manager Fuller advised 1/3 of the cost had been funded and \$600,000 has been added. The project is to be completed for \$1.2 million with the balance being budgeted in the next Fiscal Year. One third of the project is complete.

Vehicle Purchases – City Manager Fuller advised he had looked at the numbers and traditionally the Sheriff and State Bids are typically cheaper, but staff will look into the local area pricing and may issue a bid for the purchases. They will look at all options. Regarding the mid-size pickups vs V8's, some departments need the larger engine. The Frontier and Colorado have been offered through the State Bid but are not available at this time.

Fire Department Calls – City Manager Fuller advised Fire Chief Joyner responded to 93 fire emergencies last year. Of the 93 Fire Chief Joyner responded to 40 during after hours. Fire Chief Joyner noted that those were just fire emergencies, there have been times he has responded to traffic fatalities, homicides, etc. Mayor Pro tem Henderson did not feel this to be a budget issue. City Manager Fuller advised he was still of the opinion that the Durango will need to be replaced and was providing backup information on vehicle usage by the Chief after hours. Per Commission direction, a policy for take home vehicles will be drafted.

Computer Replacement – He advised the Thin Clients are just an estimate for replacement during next Fiscal Year. City Clerk Peters reviewed the differences between the Thin Clients and the regular computer desktops. The two listed are for anticipated replacement of two current computers during this Fiscal Year.

Commissioner Pelletier asked about charges for the Go Daddy account. City Manager Fuller advised he will get those numbers.

Lockbox Services – City Manager Fuller advised that costs for overtime and bank charges were reviewed, as well as adding a part-time person. They were as follows:

- Total bank charges for June through August 2014 were \$2,599.64
- Total overtime was \$2,599.64
- Total bank charges for June through August 2015 was \$1,754.43
- Total overtime was \$569.09

Commissioner Covey requested the numbers for the 6-month period in which the Lockbox was used this year for bank charges and overtime. City Manager Fuller will bring this information back to Commission.

Commissioner Covey asked where the Lockbox is in the budget for FY2015/16. City Manager Fuller advised it is in Other Contractual. She did not want it in the budget, stating that if Commission decided to go with the Lockbox after the numbers are provided, a budget transfer could be made. Mayor Pro tem Henderson advised the money will be spent somewhere, whether it's for Lockbox, bank charges, or overtime, and recommended leaving it in the budget. The decision can be made to continue with Lockbox or not after the numbers are reviewed.

Legal Services – Commissioner Covey pointed out that on the last draft budget the same amount was listed for Legal Services, plus an amount for HR Services, however, it is not there now. Finance Director Waldrip explained that it is for City Attorney Obos to handle HR services instead of an attorney from Tallahassee.

Animal Control – Commissioner Covey asked how much the last quarter costs came in at and the final total. City Manager Fuller advised the bill has not been received.

Code Enforcement Truck – Commissioner Covey indicated she got calls about this item, as well as the Arts & Conference Center Manager position. She reviewed her conversation with an independent mechanic and still feels that this truck does not need to be replaced.

Arts & Conference Center Manager Position – Mayor Pro tem Henderson advised cost savings will be \$2,800 per year and would put the City in a better position. She had spoken with Mr. Wynn and it did not make a difference to him. He likes his job and indicated he has his own insurance. Mayor Pro tem Henderson felt it to be a win-win situation as it would be a salaried position and not an hourly position.

PUBLIC PARTICIPATION

Brigid Johnson, 7509 Melody Lane did not feel the Code Enforcement truck needs to be replaced and should be kept for another year. She commended the Director of Public Works for his input. She indicated that 5-years ago the City of Callaway was almost bankrupt and would have went under if not for the citizens.

Janice Jennings, 7514 Sara Lane agreed with everything that Ms. Johnson said and thanked Mayor Pro tem Henderson for explaining their questions. She indicated the citizen board is responsible for a lot of changes in the City.

Jean Champoux, 621 S. Berthe Avenue asked if the truck the Department of Public Works was going to remove was back in the budget. Staff indicated no. She stressed the importance of compromise for the greater good. She commended the Director of Public Works as well for analyzing his need for vehicles and did not agree with replacing vehicles this year. She recommended accountability for the use of city-owned vehicles, as well as documented information regarding the Lockbox.

COMMISSION COMMENTS

Melba Covey, Commissioner, Ward I

Commissioner Covey asked for another poll of Commission on the replacement of the Code Enforcement vehicle. During discussion of the repairs, Commissioner Covey questioned the validity of the work history documentation. City Manager Fuller took exception to the insinuation. City Attorney Obos recommended revisiting the issue at the Final Budget Hearing.

Upcoming events of the Historical Society were discussed.

Bob Pelletier, Commissioner, Ward III

Commissioner Pelletier asked for confirmation that the water/sewer issue would be addressed at tomorrow's regular meeting. City Manager Fuller confirmed.

Kevin Obos, City Attorney

City Attorney Obos clarified that at Wednesday's Special Meeting Commission agreed to go with Public Financial Management as the financial advisor for the bond refinancing, utilizing the same team as in 2007. He indicated the rules have changed which now require the City, not the Underwriter, to hire the financial advisor.

J. Michael Fuller, City Manager

City Manager Fuller indicated he would like Commission to consider verbiage within the budget resolution regarding interdepartmental transfers. Commissioner Covey was in favor of seeing line item transfers to see if there are items being over or under funded. Commission was in favor with reports of transfers being submitted periodically. Staff will submit a number for consideration at tomorrow's Final Budget Hearing.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:56 p.m.

Janice L. Peters, MMC, City Clerk

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
FINAL BUDGET HEARING MINUTES
SEPTEMBER 22, 2015 – 6:00 P.M.**

The Callaway Commission met in budget hearing and regular session with Thomas Abbott, Mayor and Commissioners Melba Covey, Pam Henderson, Bob Pelletier and Ralph Hollister. Also present was J. Michael Fuller, City Manager; Kevin Obos, City Attorney; Janice L. Peters, City Clerk; Beverly Waldrip, Finance Director; Tim Legare, Leisure Services Director; Bill Frye, Zoning & Code Administrator; David Joyner, Fire Chief; Trevor Noble, Public Works Director and Lisa Koepke, Assistant to the City Manager.

The meeting was called to order by Mayor Abbott, followed by an invocation and the Pledge of Allegiance.

Mayor Abbott advised there are three meetings with the Final Budget Hearing and the CRA Budget Hearing, followed by the regular meeting of Commission.

**PUBLIC HEARING – PRESENTATION OF THE TENTATIVE BUDGET FOR FISCAL YEAR
BEGINNING OCTOBER 1, 2015**

Public Announcement – Ad Valorem Tax Rate (Trim Notice)

City Attorney Obos read the public announcement as follows:

Pursuant to Section 200.065(2)(e), F.S., “Notice of Tentative property Taxes for the City of Callaway, Florida” (TRIM NOTICE) the proposed ad valorem rate for the Fiscal Year 2015/16 was advertised to be a maximum of 3.2045 mils. This millage rate would be a 0.4251% increase over the current year’s rolled-back rate of 2.2453 mils. After reviewing revenue projections and proposed expenditure levels for the 2015/16 Fiscal Year, the General Fund budget is balanced at a tentative rate of 2.2500 mils, which is an increase of .0021% over the current year’s roll back rate. This means 2.2500 mils is to be levied to fund the Fiscal Year 2015/16 Budget.

Final FY2015/16 Budget and City Manager’s Budget Message

Final tentative budget and points of discussion.

BUDGET MESSAGE

City Manager Fuller advised that after many months of discussions, the final budget presented addresses major priorities identified by Commission, with points as follows:

- No Tax Increase
- No Utility Water/Sewer Rate Increase to Taxpayers
- A Significant Amount of Debt Created in 2007/08 was Eliminated

He advised changes were made to Page 38, which addresses the Wholesale Waste Water Rate increase in the amount of \$216,650. This reflects a reduction in revenues.

Public Participation

Mayor Abbott called for public input.

Commissioner Henderson asked if Commission should hold their questions regarding the budget. Mayor Abbott recommended waiting until Item #5.

Brigid Johnson, 7509 Melody Lane, referencing the purchasing of vehicles, did not agree with the purchase of the Code Enforcement vehicle. She recommended putting the money aside for a future purchase. She also recommended numbering the trucks to reflect who is driving with documentation of mileage to reflect how much of the city is being covered on a weekly basis.

Mayor Abbott inquired of Shelley McKinney, Jean Champoux, and John L'Heureux if they wanted to speak now. They all indicated they would like to offer public input at the regular meeting.

Resolution No. 15-23 FY2015/16 Final Ad Valorem Tax Rate

Consideration of Resolution levying a General Fund Ad Valorem Rate of 2.2500 mils.

City Attorney Obos read Resolution No. 15-23 by title as follows:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CALLAWAY OF BAY COUNTY, FLORIDA, ADOPTING THE FINAL LEVYING OF AD VALOREM TAXES FOR FISCAL YEAR 2015/2016 AND PROVIDING FOR AN EFFECTIVE DATE.

Motion:

Motion was made by Commissioner Hollister and seconded by Commissioner Pelletier to approve Resolution No. 15-21, levying a tentative Ad Valorem Rate of 2.2500 mils for FY2015/16. Motion carried unanimously upon roll-call vote.

Resolution No. 15-24 Final Budget for FY2015/16

Consideration of Resolution adopting a final budget effective October 1, 2015.

City Attorney Obos read Resolution No. 15-25 by title as follows:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CALLAWAY OF BAY COUNTY, FLORIDA, ADOPTING THE FINAL BUDGET FOR THE TWELVE MONTH PERIOD BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016; AND PROVIDING FOR AN EFFECTIVE DATE.

Mayor Abbott called for discussion of the Commission.

Commissioner Henderson advised that pending legislation is being considered regarding exempt employees. This has changed her opinion on making the Conference Center Manager an employee, as it will affect his position. She recommended leaving his position as is for now.

She asked if there is any additional information regarding the Code Enforcement Vehicle. City Manager Fuller indicated there are a series of repairs needed in order for it to be useful for another year. He advised keeping it will reduce the amount they can recoup when sold on Govdeals and did not feel it to be worth keeping and investing in the vehicle.

Public Works Director Noble advised staff does not want to replace vehicles if it is not necessary. He reviewed the anticipated repairs, which include a rear main seal, head gasket, tires, etc., explaining the process to repair, which can lower the compression, creating other problems. He added that monies have been saved elsewhere that would warrant going ahead and replacing the Code Enforcement truck.

Director Noble further advised that in the Department of Public Works, he has found a way to save \$125,000 on the boom truck, with another \$50,000 with reduced personnel, along with repurposing of other vehicles saving of around \$10,000.

Mayor Abbott asked if it is still the recommendation of the City Manager and Public Works to replace the Code Enforcement truck. City Manager Fuller advised that after much consideration it is still his recommendation to replace the vehicle.

Commissioner Covey apologized for remarks she made questioning the integrity of the City Manager and the city's mechanic at yesterday's meeting. She added that her frustration came from feeling Commission had not received all the information requested. She still recommended repair of the Code Enforcement truck and trying to keep it for another year.

Commissioner Covey referenced that there are three employees at the Department of Public Works who need their phones to monitor the lift station and scada systems. She felt the three of them should get the full \$50 phone allowance. City Manager Fuller confirmed that there is one in Water and two in Sewer. Director Noble advised it would be John Franklin and Oscar Martinez, stating they are ok with the \$25 allowance and have already signed the papers. Commissioner Covey still felt they should get the \$50 allowance.

Commissioners Pelletier and Hollister were in agreement with Commissioner Henderson's recommendation to leave the Community Center Manager position as it is currently, which was Commission consensus.

Commission consensus regarding the requested vehicles was to approve the purchases requested.

City Manager Fuller again referenced the increase in the wholesale sewer rate and that Commission direction was to have the budget reflect that the city will absorb the costs this fiscal year.

Motion:

Motion was made by Commissioner Covey and seconded by Commissioner to approve Resolution No. 15-24, adopting the final budget for FY2015/16. Motion carried unanimously upon roll-call vote.

ADJOURNMENT

There being no further business, the hearing was adjourned at 6:25 p.m.

Janice L. Peters, MMC, City Clerk

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
SEPTEMBER 22, 2015 – 6:00 P.M.**

The Callaway Commission met in regular session with Thomas Abbott, Mayor and Commissioners Melba Covey, Pam Henderson, Bob Pelletier and Ralph Hollister. Also present was J. Michael Fuller, City Manager; Kevin Obos, City Attorney; Janice L. Peters, City Clerk; Beverly Waldrip, Finance Director; Tim Legare, Leisure Services Director; Bill Frye, Zoning & Code Administrator; David Joyner, Fire Chief; Trevor Noble, Public Works Director and Lisa Koepke, Assistant to the City Manager.

The meeting was called to order by Mayor Abbott at 6:29 p.m.

Mayor Abbott called for changes to the agenda; there were none.

PRESENTATIONS

Employee of the Month for August – Roger Chandler

Mayor Abbott read the letter of recommendation in which Mr. Chandler was commended on his professionalism and dedication, followed by the presentation of an Employee of the Month certificate and pin.

20-Year Service Plaque – Donald R. Simpler

Mayor Abbott read the award honoring Donald R. Simpler for 20 years of service to the City of Callaway. Mr. Simpler was not able to be in attendance. Mayor Abbott advised he has never seen Mr. Simpler without a smile and a polite word.

Code Enforcement Board Report

Chairman Volpi informed the Commission of the outcome of the five cases heard by the Code Enforcement Board at their meeting on August 27, 2015.

Regarding current cases, Code Enforcement Officer (CEO) Bill Frye gave an update of current cases as follows:

Current Open Cases	63
Cases Initiated 9/1 – 9/21	53
Cases in Compliance	39
Nuisance Notices sent	5

He advised Code Enforcement is working on having one property cleaned, which will be issued liens for any and all costs incurred by the city for the accumulation of garbage, etc., in the yard. This is following numerous fines issued. Bids for cleanup are being received at this time. Five additional properties have been sent notices of nuisance and/or abatement, intent to lien. Six cases will be presented at the next Code Enforcement Board meeting on September 24th.

Commissioner Covey asked if the liens are filed against the taxes for the property. City Attorney Obos and CEO Frye reviewed the process, which was discussed. City Clerk Peters advised she can take over the process of filing the liens as a cost-saving measure.

Commissioner Pelletier asked how many cases are open that need to be acted upon. CEO Frye advised a total of five.

Bay County Sheriff's Office Report

Cpl Jeff Hare reviewed statistics for the month of August 2015 as follows:

Miles Patrolled	- 17,919	Traffic Stops	- 88
Calls for Service	- 1,285	Citations Issued	- 70
Arrests Made	- 70	Traffic Crashes	- 58

PUBLIC PARTICIPATION

John L'Heureux, 133 Lauren Lane, commented on the every-meeting discussion of utility billing. He recommended considering a program similar to the property tax billing, which is broken down into 3-4 plans with discounts for paying earlier or Gulf Power's averaging process. He referenced an article on the U.S. Postal Service's fleet which stated the average age of their vehicles is 23 – 28 years.

Mayor Abbott asked that City Manager Fuller investigate what other cities may be offering in the way of discounts for paying early.

Jean Champoux, 621 S. Berthe Avenue, wanted to clear up misconceptions surrounding the Callaway Concerned Citizens Committee, which she stated has been instrumental in pulling the City of Callaway back from the brink of bankruptcy and replacing two Commissioners and the Mayor. She advised the Committee has never been sanctioned or endorsed by the City Commission, they are a group of citizens who care passionately about the city and its citizens, advising all citizens are encouraged to participate in exercising the rights of citizens to be heard and concerns acknowledged. Their goal has always been to have the City of Callaway reach its potential to be a fiscally responsible operation.

Shelly McKinney, 1424 East Park Road, wanted to thank Commissioner Hollister for insisting that the loans on the fire station and water tanks be paid off with reserve funds available, saving the taxpayers almost \$1.5 million. She also expressed appreciation for a City Manager who has taken steps to advance the City of Callaway through updated equipment and automation. She advised Callaway is growing by leaps and bounds and we must keep up with the pace and not fixate on the way things were done in the past. She thanked all of Commission for their work on the budget.

MINUTES

July 18, 2015	Special meeting
August 24, 2015	Regular Workshop
August 25, 2015	Regular Meeting
August 26, 2015	Budget Workshop
Sept. 10, 2015	1 st Budget Hearing Minutes

Commissioner Henderson pointed out motion reference mix ups between Commissioner Henderson and Commissioner Hollister on the August 25th meeting, page 4.

Motion:

Motion was made by Commissioner Hollister and seconded by Commissioner Henderson to approve the minutes as amended. Motion carried unanimously upon roll-call vote.

CONSENT AGENDA

Budget Transfer – General Government

Financial Update – Budget in Brief

Accounts for Collections

Motion:

Motion was made by Commissioner Covey and seconded by Commissioner Pelletier to approve the consent agenda. Motion carried unanimously upon roll-call vote.

OLD BUSINESS

FY2014 Audit Findings

City Manager Fuller advised all issues have either been addressed or are in the process of being addressed. He will keep Commission updated on the progress.

REGULAR AGENDA

Resolution No. 15-25 Setting FY2015/16 Meeting and Holiday Schedule

City Attorney Obos read Resolution No. 15-25 by title as follows:

A RESOLUTION TO ADOPT A MEETING SCHEDULE FOR THE REGULAR MEETINGS AND WORKSHOPS OF THE CITY OF CALLAWAY BOARD OF CITY COMMISSIONERS FOR THE FISCAL YEAR 2015-2016; REPEALING ALL RESOLUTIONS IN CONFLICT HEREWITH AND RECITING AN EFFECTIVE DATE.

Motion:

Motion was made by Commissioner Hollister and seconded by Commissioner Covey to approve Resolution No. 15-25. Motion carried unanimously upon roll-call vote.

Resolution No. 15-26 Approving Annual Wholesale Rate Adjustment for Sewer

Commission consensus was to pull Resolution No. 15-26 as it had been decided in the budget hearing that the city would absorb those costs for FY2015/16.

COMMISSION COMMENTS

Bob Pelletier, Commissioner, Ward III

Commissioner Pelletier asked if City Manager Fuller had the numbers on the water main break last month, as far as who caused the damage and the costs to the city to fix. City Manager Fuller advised he has those and will forward them to him.

Commissioner Pelletier, regarding delinquent accounts, asked that the City Manager bring recommendations for a policy wherein they would be sent to collections within 60 days.

Pamn Henderson, Commissioner, Ward II

Commissioner Henderson thanked citizens for their input and bearing with them on the budget.

Melba Covey, Commissioner, Ward I

Commissioner Covey thanked Commissioner Henderson for running the meeting last night. She is glad the budget process is over and thanked Department of Public Works for their reductions.

She advised she attended the Callaway Historical Meeting on Sunday afternoon and encouraged citizens to join for \$5 per year. They will sponsor October Fest on October 31st from 11:00 a.m. to 3:00 p.m. and Christmas tree lighting in December. They now have a website with events listed at www.callawayhistoricalsociety.org. Commissioner Covey indicated The Historical Society asked that Commission attend the October Fest event.

Mayor Abbott recommended linking their website to the City's. City Clerk Peters will look into it.

Thomas Abbott, Mayor

Regarding the delinquent accounts, he felt that once the account is closed, if the balance isn't received within 30-days, it will be hard to collect it. He agreed with Commissioner Pelletier that the earlier it is sent to collections the better.

Kevin Obos, City Attorney

City Attorney Obos clarified that the Engagement Letter from the financial advisor was received but the protocol for putting the same team back together as before has changed. Before, the underwriter would hire the disclosure council and all would be paid at the bond closing. Now, the City is being required to sign the Engagement Letter.

J. Michael Fuller, City Manager

City Manager Fuller referenced a traffic maintenance bulletin for construction activity at South Kimbrell Avenue and the 6200 block of Blanche Street from the 23rd thru 24th. Traffic will be rerouted to Pridgen Street and Lake Drive. Mayor Abbott asked that the City Clerk add the notice to the bulletin at City Hall.

Commissioner Covey asked about the widening of Hwy. 22. City Manager Fuller felt the project had been delayed.

ANNOUNCEMENTS

Mayor Abbott read the announcements.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:10 p.m.

Janice L. Peters, MMC, City Clerk

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: FY2014/15 BUDGET CLEANUP AMENDMENTS

1. **PLACED ON AGENDA BY:**
J. MICHAEL FULLER, CITY MANAGER

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)

The City Commission changed the City's level of budget control from a Department level to a line item or object of expenditure level in July of 2014. In order to comply with this provision, the attached budget revisions are submitted for City Commission approval. Budget revisions are included for all line items where fiscal year 2015 expenditures exceed budget estimates.

ATTACHMENTS:

- GENERAL FUND – BUDGET TRANSFER REQUEST
- ENTERPRISE FUNDS – BUDGET TRANSFER REQUEST
- CAPITAL IMPROVEMENT FUND – BUDGET TRANSFER REQUEST

5. **REQUESTED MOTION/ACTION:**

Staff recommends that the City Commission approve the referenced budget amendments.



BUDGET REVISION REQUEST

Department General Fund

AMOUNTS MUST BE IN WHOLE DOLLARS

27-Oct-15

Account #	Account Description	CURRENT Budget Amt	Requested Increase	Requested Decrease	REVISED Budget Amt	Explanation for Request
Commission						
01-511-101-10	Commission - Salaries	\$ 40,750	\$ 513		\$ 41,263	One Commission was paid less; the rate was increased to the same amount as the other Commissions for last 3 months of the year.
01-511-304-80	Commission - Promotional Activities	\$ 675	\$ 76		\$ 751	Over-budget by payment for Bay Co. Chamber monthly events (3)
01-511-304-00	Commission - Travel & Per Diem	\$ 3,000		\$ 589	\$ 2,411	78% of budget available
City Manager						
01-512-101-20	City Manager - Salaries	\$ 164,014	\$ 430		\$ 164,444	Over-budget amount due to change in YE accrual from FY 2014 / FY 2015
01-512-102-20	City Manager - Retirement Contr	\$ 23,104	\$ 360		\$ 23,464	Un-budgeted retirement contribution for sale of annual leave
01-512-102-30	City Manager - Group Insurance	\$ 13,229	\$ 382		\$ 13,611	Under-budget due to change in enrollment elections
01-512-304-65	City Manager - R&M IT Equipment	\$ 6,953		\$ 1,172	\$ 5,781	Available budget to offset overbudget line items.
Finance						
01-513-101-20	Finance - Salaries	\$ 94,996	\$ 11,498		\$ 106,494	Original FY2015 salary was budgeted at rate paid to previous Finance personnel
01-513-102-10	Finance - FICA	\$ 5,890	\$ 202		\$ 6,092	Original FY2015 salary was budgeted at rate paid to previous Finance personnel

Account #	Account Description	CURRENT		Requested		REVISED		Explanation for Request
		Budget Amt	Increase	Decrease	Budget Amt	Decrease	Budget Amt	
01-572-305-10	Leisure - Office Supplies & Equip	\$ 1,000	\$ 10		\$ 1,010			Nominal amount of expense exceeded budgeted estimate
01-572-305-20	Leisure - Operating Supplies	\$ 15,000	\$ 1,708		\$ 16,708			Expense for Chamber monitors was moved from capital purchases since the unit cost was less than the capitalization threshold of \$1,000
01-572-305-22	Leisure - Uniforms	\$ 2,000	\$ 38		\$ 2,038			Nominal amount of expense exceeded budgeted estimate
01-572-606-40	Leisure - Machinery & Equipment	\$ 74,232	\$ 650		\$ 74,882			Shipping was higher than anticipated
01-572-304-50	Leisure - Insurance	\$ 26,000		\$ 8,939	\$ 17,061			Available budget to offset overbudget line items.
Column TOTALS			\$ 156,959	\$ 156,959				Total Increases MUST equal Total Decreases

APPROVALS

Department Head _____ Date: _____
 City Manager _____ Date: _____
 Commission _____ Date: _____
 Finance _____ Date: _____



BUDGET REVISION REQUEST

Department Enterprise Funds

AMOUNTS MUST BE IN WHOLE DOLLARS

10/272015

Account #	Account Description	CURRENT Budget Amt	Requested Increase	Requested Decrease	REVISED Budget Amt	Explanation for Request
Water						
41-380-389-10	Water - Budgeted Use of Reserves	1,253,251.00		(1,120,000.00)	2,373,251.00	Reduced by meter install planned for next year
41-533-606-64	Water - Automation of Meter System	1,800,000.00		1,120,000.00	680,000.00	Entire project was budgeted, only 1/3 of install was planned for completion in FY2016
41-533-101-65	Water - Annual Leave Payout	\$ -	\$ 6		\$ 6	Created new account for accrued leave paid to terminated employees. This expense is not normally budgeted.
41-533-303-43	Water - Cost of Water	\$ 882,760	\$ 105,765		\$ 988,525	The budget was reduced from FY2014 to FY2015 by \$55k, expenditures increased by approximately 5%, Sept water bill has not been paid as of 10/19/15
41-533-303-45	Water - Debt Collection Service	\$ 1,575	\$ 235		\$ 1,810	Varies with amount of collections
41-533-304-20	Water - Transportation/Postage	\$ 9,200	\$ 2,315		\$ 11,515	Postage rate increase and notification letter mail-outs
41-533-304-62	Water - R&M Vehicles	\$ 10,500	\$ 3,203		\$ 13,703	Above normal repairs (ex. Transmission rebuild, new control valve body)
41-533-304-70	Water - Printing & Binding	\$ 4,725	\$ 80		\$ 4,805	Nominal amount of expense exceeded budgeted estimate
41-533-304-90	Water - Other Current Charges	\$ 16,550	\$ 13,500		\$ 30,050	Over-budget amount is due to credit card merchant fees for online payments, online payments were implemented in Nov. of 2014 and the associated fees were not included in the FY 2015 budget; Sept. 2015 fees are not posted yet.
41-533-305-23	Water - Meters	\$ -	\$ 6,001		\$ 6,001	Radio reads and parts for meter repairs

Account #	Account Description	CURRENT Budget Amt	Requested Increase	Requested Decrease	REVISED Budget Amt	Explanation for Request
41-533-606-40	Water - Mach & Equipment	\$ 10,950	\$ 2,509		\$ 13,459	Insertion valve (\$2,400) purchased for hydrant relocation
41-533-101-20	Water - Salaries	\$ 285,868		\$ 62,000	\$ 223,868	Available budget to offset overbudget line items.
41-533-101-40	Water - Overtime	\$ 31,500		\$ 10,800	\$ 20,700	Available budget to offset overbudget line items.
41-533-102-30	Water - Group Insurance	\$ 63,695		\$ 16,500	\$ 47,195	Available budget to offset overbudget line items.
41-533-303-41	Water - Legal fees	\$ 10,500		\$ 10,500	\$ -	Available budget to offset overbudget line items.
41-533-303-41	Water - Other Contractual	\$ 47,747		\$ 15,500	\$ 32,247	Available budget to offset overbudget line items.
41-533-304-50	Water - Insurance	\$ 30,450		\$ 12,800	\$ 17,650	Available budget to offset overbudget line items.
41-533-35-21	Water - Fuel & Lubricants	\$ 30,000		\$ 5,514	\$ 24,486	Available budget to offset overbudget line items.
Sewer						
42-535-101-40	Sewer - Overtime	\$ 14,700	\$ 152		\$ 14,852	Nominal amount of expense exceeded budgeted estimate
42-535-303-10	Sewer - Engineering Services	\$ 26,250	\$ 5,518		\$ 31,768	AWT -2 evaluation and engineering services not included in budget
42-535-303-41	Sewer - Other Contractual	\$ 22,762	\$ 1,320		\$ 24,082	Springbrook charges for online payments, maintenance fee based on the number of active utility accounts plus \$1 per transaction
42-535-304-20	Sewer - Transportation/Postage	\$ 7,600	\$ 1,352		\$ 8,952	Postage rate increase and notification letter mail-outs
42-535-606-31	Sewer - Lift Station Upgrades	\$ 155,100	\$ 5,944		\$ 161,044	C/O for the removal of the wet well fiberglass liner
42-535-606-40	Sewer - Mach & Equipment	\$ 10,950	\$ 7,211		\$ 18,161	Non-budgeted item charged to this line item
42-535-101-30	Sewer - Group Insurance	\$ 84,948		\$ 21,497	\$ 63,451	Available budget to offset overbudget line items.

Account #	Account Description	CURRENT Budget Amt	Requested Increase	Requested Decrease	REVISED Budget Amt	Explanation for Request
Solid Waste						
43-534-102-30	Waste - Group Insurance	\$ 20,973	\$ 2,662		\$ 23,635	Due to changes in employee health insurance plan enrollment
43-534-303-41	Waste - Other Contractual	\$ 82,306	\$ 1,555		\$ 83,861	Springbrook charges for online payments, maintenance fee based on the number of active utility accounts plus \$1 per transaction
43-534-304-20	Waste - Transportation/Postage	\$ 6,500	\$ 615		\$ 7,115	Postage rates increased
43-534-305-21	Waste - Fuel & Lubricants	\$ 23,000	\$ 1,836		\$ 24,836	Under-estimated actual fuel usage
43-534-304-90	Waste - Other Current Charges	\$ 8,800		\$ 6,668	\$ 2,132	Available budget to offset overbudget line items.
Column TOTALS			\$ 161,779	\$ 161,779		Total Increases MUST equal Total Decreases

APPROVALS

Department Head _____ Date: _____

City Manager *JMOA* _____ Date: 10-27-15

Commission _____ Date: _____

Finance _____ Date: _____

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: FINANCIAL UPDATE

1. PLACED ON AGENDA BY:
J. Michael Fuller, City Manager

2. AGENDA:
PRESENTATION
PUBLIC HEARING
CONSENT
OLD BUSINESS
REGULAR

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

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

Please see the attached "Budget-In-Brief" financial statement as of September 30, 2015.

ATTACHMENT:

- BUDGET-IN-BRIEF

5. REQUESTED MOTION/ACTION:

For review only. No action required.



CITY OF CALLAWAY

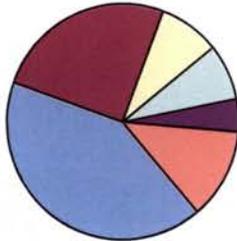
Fiscal Year 2015

PRELIMINARY - CASH BASIS

BUDGET-IN-BRIEF as of September 30, 2015

100% of Year Elapsed

YTD-Citywide Expense Allocation



- Operating 41.6%
- Personnel Svc 25.3%
- Non-Operating 8.5%
- Transfers 7.7%
- Principal Debt Pmts 4.5%
- Capital 12.5%

General Fund Revenues

Revenues	Budget	Year-to-Date	%
Ad valorem Taxes	1,002,236	1,010,036	100.8%
Other Taxes	1,807,323	1,807,413	100.0%
Permits, Fees, & Licenses	1,228,300	1,017,607	82.8%
Grants & Shared Revenue	1,851,113	1,772,718	95.8%
Service Charges	149,203	158,338	106.1%
Judgements, Fines, & Forfeits	2,600	4,182	160.8%
Interest & Other Earnings	3,915	2,729	69.7%
Rents & Royalties	51,600	63,311	122.7%
Sales of Fixed Assets	7,177	31,879	444.2%
Contributions & Donations	3,700	2,753	74.4%
Miscellaneous Revenue	11,170	3,967	35.5%
Total Revenues	\$ 6,118,337	\$ 5,874,933	96.0%

General Fund Expenditures

Expenditures	Budget	Year-to-Date	%
Executive (Commission)	54,190	50,982	94.1%
City Manager	229,960	223,142	97.0%
Finance	167,128	167,073	100.0%
Legal	85,000	102,583	120.7%
Planning & Code Enforcement	271,514	187,537	69.1%
Elections	-	-	0.0%
General Government	386,459	352,103	91.1%
Law Enforcement	1,412,989	1,413,137	100.0%
Fire Department	996,743	927,801	93.1%
Streets	1,135,861	951,960	83.8%
Maintenance Shop	208,505	199,371	95.6%
Leisure Services	791,099	765,076	96.7%
Transfers	715,821	189,131	26.4%
Total Expenditures	\$ 6,455,269	\$ 5,529,896	85.7%

(Animal Control Invoice has not been prepared)

General Fund Increase/Decrease to Fund Balance

	Budget	Year-to-Date
Incr / (Decr) to Fund Balance	(336,932)	345,037

Community Redevelopment Fund

	Budget	Year-to-Date	%
Revenues & Trfrs In	25,770	25,585	99.3%
Expenditures	116,118	40,422	34.8%
Incr / (Decr) to Fund Balance	(90,348)	(14,837)	

Debt Service Fund

	Budget	Year-to-Date	%
Transfers In	89,757	89,757	100.0%
Debt Service Pmts.	89,757	89,757	100.0%
Incr / (Decr) to Fund Balance	-	-	

Capital Projects Fund

	Budget	Year-to-Date	%
Revenues & Trfrs In	931,238	111,641	12.0%
Expenditures	931,238	339,453	36.5%
Incr / (Decr) to Fund Balance	-	(227,812)	

(Excludes outstanding project invoices)

Water Fund

	Budget	Year-to-Date	%
Revenues & Trfrs In	3,331,150	2,940,093	88.3%
Expenses & Trfrs Out	4,584,401	3,169,372	69.1%
Incr / (Decr) to Net Assets	(1,253,251)	(229,279)	

(Excludes Sept. 2015 Cost of Water)
(Budgeted meter project of \$1.2 million to be completed in FY 2016)

Sewer Fund

	Budget	Year-to-Date	%
Revenues & Trfrs In	4,455,870	4,448,673	99.8%
Expenses & Trfrs Out	4,630,246	3,971,266	85.8%
Incr / (Decr) to Net Assets	(174,376)	477,407	

(Excludes Sept. 2015 Cost of Treatment)

Solid Waste Fund

	Budget	Year-to-Date	%
Revenues	584,640	577,800	98.8%
Expenses & Trfrs Out	733,353	663,224	90.4%
Incr / (Decr) to Net Assets	(148,713)	(85,424)	

Citywide Increase/Decrease to Fund Balance / Net Assets

	Budget	Year-to-Date
Incr / (Decr) to Fund Balance/Net Assets	(2,003,620)	265,092

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: FISCAL YEAR 2015/16 MEETING SCHEDULE

1. **PLACED ON AGENDA BY:**
J. MICHAEL FULLER, CITY MANAGER

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)**

Commission, at the September 22, 2015, Commission Meeting, adopted Resolution No. 2015-25, setting the annual Meetings, Workshops, and Holidays of the City. The Commission Workshop was listed on January 21, 2016 and the Commission Workshop on January 22, 2016.

Staff submits clarification of the January 2016 Workshop to be scheduled for Monday, January 25, 2016 and the Regular Commission Meeting for Tuesday, January 26, 2016.

The City Commission has home-rule authority (Art. VII (2) FL Constitution and §166.011 F.S.) to consider matters of fiscal benefit.

ATTACHMENTS:

- EXHIBIT A

5. **REQUESTED MOTION/ACTION:**

Staff recommends adoption of the corrected Schedule of Meetings & Holidays.

EXHIBIT "A"
CALLAWAY CITY COMMISSION
REGULAR MEETING & HOLIDAY SCHEDULE
FISCAL YEAR 2015/16

MEETING/HOLIDAY	DATE	TIME
Regular Workshop	October 26, 2015.....	6:00 P.M.
Regular Meeting	October 27, 2015.....	6:00 P.M.
Veterans Day	November 11, 2015	
Regular Workshop	November 16, 2015.....	6:00 P.M.
Regular Meeting	November 17, 2015.....	6:00 P.M.
Thanksgiving Holiday	November 26-27, 2015	
Regular Workshop	December 14, 2015	6:00 P.M.
Regular Meeting	December 15, 2015	6:00 P.M.
Christmas Holiday	December 23-26, 2015	
New Year's Eve Holiday	December 30, 2015	½ Day per employee's work schedule
New Year's Day	January 1, 2016	
Dr. MLK, Jr.'s Birthday	January 18, 2016	
Regular Workshop	January 25, 2016	6:00 P.M.
Regular Meeting	January 26, 2016	6:00 P.M.
Regular Workshop	February 22, 2016	6:00 P.M.
Regular Meeting	February 23, 2016	6:00 P.M.
Regular Workshop	March 21, 2016	6:00 P.M.
Regular Meeting	March 22, 2016	6:00 P.M.
Regular Workshop	April 25, 2016	6:00 P.M.
Regular Meeting	April 26, 2016	6:00 P.M.
Regular Workshop	May 23, 2016	6:00 P.M.
Regular Meeting	May 24, 2016	6:00 P.M.
Memorial Day Holiday	May 30, 2016	
Regular Workshop	June 27, 2016	6:00 P.M.
Regular Meeting	June 28, 2016	6:00 P.M.
Independence Day Holiday	July 4, 2016	
Regular Workshop	July 25, 2016.....	6:00 P.M.
Regular Meeting	July 26, 2016.....	6:00 P.M.
Regular Workshop	August 22, 2016	6:00 P.M.
Regular Meeting	August 23, 2016	6:00 P.M.
Labor Day Holiday	September 5, 2016	
1 ST & Final Budget Hearings	To Be Determined	
Regular Workshop	September 26, 2016.....	6:00 P.M.
Regular Meeting	September 27, 2016.....	6:00 P.M.

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: LOCKBOX – REVIEW OF INFORMATION

1. **PLACED ON AGENDA BY:**
J. MICHAEL FULLER, CITY MANAGER

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

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

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

Per Commission's request, staff has compiled the attached supporting documents referencing costs of the Lockbox since inception, as well as costs relating to a part-time person.

ATTACHMENTS:

- LETTER FROM CREDIT BUSINESS SERVICES, INC.
- SUMMARY

5. **REQUESTED MOTION/ACTION:**

Staff recommends that the City Commission approve continuing with the Lockbox service provided by Credit Business Services.



October 8, 2015

Michael Fuller, City Manager
City of Callaway
6601 E. Highway 22
Callaway, FL 32404

Dear Mr. Fuller,

In October of 2014, discussions began with the City on how my company could help improve their utility billing payment processing workflow. As a trusted vendor of accounts receivable management solutions to 19 different municipalities, I welcomed the challenge. After much discussion, due diligence and consultation with you and your staff, I proposed a lockbox solution: this solution is recognized as a best practice among municipal utility departments and is recommended by the Government Finance Officers Association.

To confirm your concerns with the Utility Billing Department's payment processing workflow, the Warren Averett audit findings revealed changes that needed to be made. As a direct result of the schedule of finding and responses for audit report year ending September 30, 2014, you asked me to provide you with a cost benefit analysis for my proposed lockbox solution. After I presented you with a cost benefit analysis of hiring staff versus outsourcing payment processing, you and your staff agreed that the lockbox outsourcing model was the best fit for the City.

The City of Callaway contracted our lockbox services in April of this year. Since that time, we have processed 6,884 items. The cost, to the City, for processing these items with us has been \$4,474.60.

Assuming that a part time or full time employee at a rate of \$12/hour (includes taxes and benefits) could process an item for the City at a rate of 4 minutes per item*, the following would have been the cost to the City for the same 6,884 items:

- Labor cost \$5,507.20 (6884 X 4 = 27536 minutes divided by 60 = 458.93 hour x \$12/hr = \$5507.20)
- Bank charges per item would have been \$1032.60 (6884 x \$.15)
- TOTAL COST CHECK PAYMENT PROCESSING COST = \$6,539.80

The net result of outsourcing your check acceptance and processing with my company is a documented 31.57% savings for the City or \$2,065.20. These are accurate and true numbers, which completely validates your decision to outsource versus trying to reinvent the wheel in-house.



Additional benefits the City receives from outsourcing are:

- Personnel changes do not affect the process, hence reducing training and labor cost
- Technology changes do not require investment from the City
- Variable per item pricing versus fixed cost of in-house IT and labor
- Check remittance image and ACH laws changes do not affect the City's staff or process
- Exceptions are easily tracked and stored
- Reduce cost of operating and maintaining RP systems and technology
- Utilize new technologies as they become available (e.g., Check 21 ICLs, ARC, Image Archiving, etc.)
- Transfer challenges with staffing, systems conversion, and training issues to a specialist
- Minimize risk of increased per item costs as volume decreases
- Provides business recovery and contingencies for facility service interruptions

Finally, I would ask the City to keep focus on the big picture. Organizations often fail to look at the big picture when making the decision between processing remittance in-house and outsourcing. Most look at it from a narrow financial perspective, but there are many factors that should influence the decision, including staffing, customer service, and security. When an organization takes a holistic approach to payment remittance in the context of the entire business process, as you have, an organization will make an informed decision. I believe the cost and savings data provided, the ability for the utility billing staff to focus on quality control and customer service, and the overall stability the process adds to the core functions of the utility billing department speaks for itself. You and the City Council can rest assured it has made an informed and correct decision when outsourcing its' check acceptance process. We appreciate your business and respect our fiduciary responsibility to and for the City.

Sincerely,

Tommy Cooley Jr
President

*My four minutes per item average is an assumption of generally accepted best business practices for payment processing. This includes tasks for each item that include opening the items, scanning, additional data entry, batch review and individual account posting of the item to proper account.

City of Callaway
Lockbox Cost Comparisons

Shown below is a summary of expense comparisons related to implementation of our lockbox. Expense detail is also provided.

Expense Comparison Summary

	April		May		June		July		August		September		Totals	
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Amount
Bank Charges Related to deposits	4,615	\$ 731	4,833	\$ 820	5,328	\$ 915	5,226	\$ 882	5,207	\$ 879	4,591	\$ 781	29,800	\$ 5,009
Customer Service Overtime	13	240	25	437	25	435	70	1,427	32	587	38	735	201	3,861
FY 2014 Totals	4,628	971	4,858	1,257	5,353	1,351	5,296	2,310	5,239	1,466	4,629	1,516		8,870

FY 2015

	April		May		June		July		August		September		Totals	
	Units	Cost	Units	Amount										
Bank Charges Related to deposits	4,102	\$ 633	3,948	\$ 602	4,051	\$ 634	3,341	\$ 537	3,330	\$ 543	3,573	559	22,345	\$ 3,507
Customer Service Overtime	6	112	7	134	10	197	19	377	6	130	24	487	71	1,438
Lockbox (Including monthly maintenance fees)	698	504	762	545	977	685	1,648	1,121	1,695	1,152	1,104	768	6,884	4,775
Fed Ex						9	14	16				6		44
FY 2015 Totals	4,108	745	3,955	736	4,061	831	3,360	914	3,336	673	3,597	1,046		9,764
Increase / (Decrease) in Costs	\$ (520)	\$ (226)	\$ (903)	\$ (521)	\$ (1,292)	\$ (519)	\$ (1,936)	\$ (1,396)	\$ (1,903)	\$ (793)	\$ (1,032)	\$ (471)		\$ 894

City of Callaway
Lockbox Cost Comparisons

Expense Detail

Detail of Bank Charges Related to Deposits

FY 2014	Per item fee	April		May		June		July		August		September		Totals	
		# of trans.	Bank Fee	# of trans.	Bank Fee										
Electronic Credits	0.26	60	16	57	15	54	14	57	15	55	14	61	16	344	89
Deposits - Credits	0.8	190	152	194	155	222	178	196	157	196	157	195	156	1,193	954
Items Deposited on US	0.11	57	6	64	7	96	11	78	9	80	9	63	7	438	48
Quick Deposit on US	0.11	259	28	259	28	265	29	275	30	281	31	283	31	1,622	178
Quick Deposit Local	0.12	29	3	20	2	20	2	18	2	14	2	19	2	120	14
Quick Deposit Regional	0.12	2,304	276	2,345	281	2,298	276	2,273	273	2,272	273	2,301	276	13,793	1,655
Quick Deposit Other Fed	0.12	505	7	550	66	514	62	525	63	537	64	551	66	3,182	328
Branch Dep per \$100	0.164	1,065	181	1,200	204	1,719	284	1,599	263	1,635	269	983	167	8,201	1,369
ACH Credit Transact	0.16	145	23	143	23	139	22	204	33	136	22	134	21	901	144
Quick Deposit maintenance fee		1	38	1	38	1	38	1	38	1	38	1	38	6	228
Totals		4,615	731	4,833	820	5,328	915	5,226	882	5,207	879	4,591	781	29,800	5,009

FY 2015	Per item fee	April		May		June		July		August		September		Totals	
		# of trans.	Bank Fee	# of trans.	Bank Fee										
Electronic Credits	0.26	114	30	112	29	134	35	113	29	120	31	112	29	705	183
Deposits - Credits	0.8	147	118	133	106	145	116	107	86	124	99	135	108	791	633
Items Deposited on US	0.11	302	33	280	31	280	31	202	22	223	25	303	33	1,590	175
Items Deposited US	0.11														
Items Deposited Local	1	14	2	10	1	120	16	70	9	82	11	133	17	429	56
Items Deposited Regional	1	1,669	217	1,645	214	1,438	187	921	120	953	124	1,358	177	7,984	1,038
Items Deposited Other Fed	1	426	55	411	53	319	41	231	30	225	29	306	40	1,918	249
Branch Dep per \$100	0.164	1,270	216	1,198	204	1,458	239	1,457	239	1,435	235	1,223	208	8,041	1,341
ACH Credit Transact	0.16	160	26	159	25	157	25	240	38	168	27	3	0	887	142
Amt. due to bank fee increase	1	(63)	(63)	(62)	(62)	(56)	(56)	(37)	(37)	(38)	(38)	(54)	(54)	-	(310)
Totals		4,102	633	3,948	602	4,051	634	3,341	537	3,330	543	3,573	559	22,345	3,507

Total Bank Fee Savings 2015 - 2014

(513)	(98)	(885)	(218)	(1,277)	(281)	(1,885)	(345)	(1,877)	(336)	(1,018)	(222)	(7,455)	(1,502)
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1 Adjustment for Comparison due to increase in Bank fees

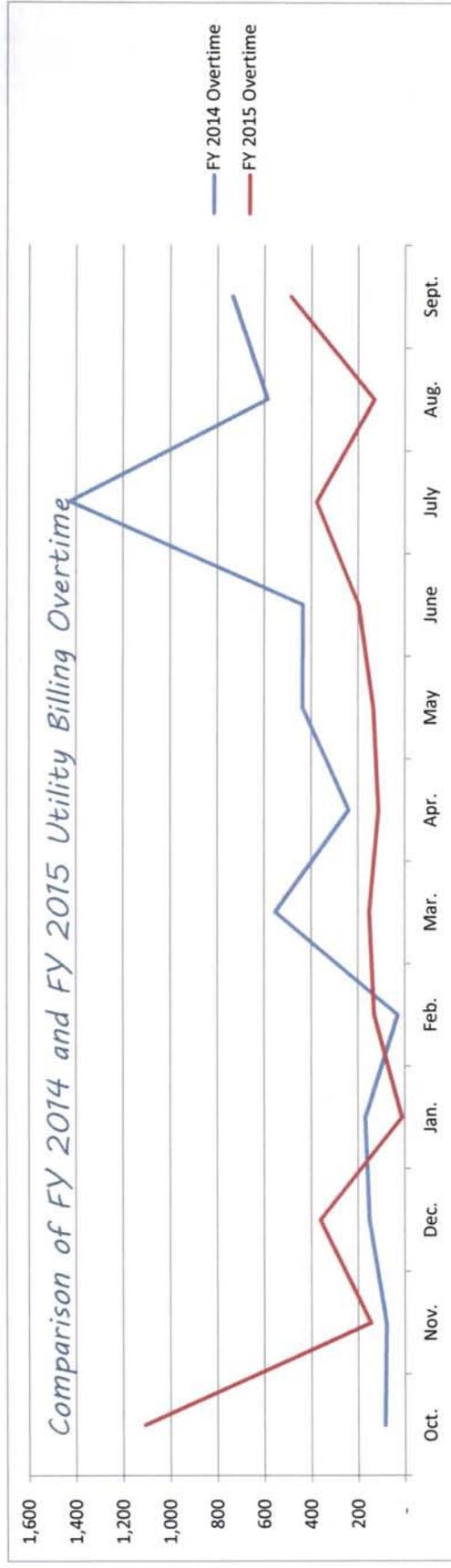
City of Callaway
Lockbox Cost Comparisons

Expense Detail

Detail of Utility Billing Overtime

	Apr.	May	Jun.	Jul.	Aug.	Sept.	Total Hrs.	Total Amt.
FY 2014								
Hay Concheta A	-	12.75	17.00	5.50	90.76	16.50	61.25	1,010.65
Rodriguez Micah A	10.00	12.00	6.25	59.75	1,232.35	14.25	126.50	2,569.24
Williams Winnie B	2.50	-	1.25	5.00	104.25	1.00	13.50	281.48
2014 Total	12.50	24.75	24.50	70.25	1,427.36	31.75	201.25	3,861.37
FY 2015								
Hay Concheta A	1.25	2.25	3.75	6.50	107.26	-	19.00	313.53
Rodriguez Micah A	4.25	2.25	-	5.50	117.98	-	22.00	478.87
Williams Winnie B	-	2.25	6.25	7.00	151.83	6.00	29.75	645.29
2015 Total	5.50	6.75	10.00	19.00	377.07	6.00	70.75	1,437.69
Increase / (Decrease)	(7.00)	(18.00)	(14.50)	(51.25)	(1,050.29)	(25.75)	(130.50)	(2,423.68)

Overtime cannot be completely eliminated for the customer service representatives due to: setting up cash drawers before opening, completion of drawer reconciliations and daily deposits at closing and weekly inhouse training. The chart below illustrates the smoothing of workflow peaks in FY 2015.



	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	FY Totals
FY 2014 Overtime	86	80	151	169	30	553	240	437	435	1,427	587	735	4,930
FY 2015 Overtime	1,109	146	361	11	130	151	112	134	197	377	130	487	3,345
Increase / (Decrease)	1,023	66	209	(158)	100	(401)	(128)	(303)	(238)	(1,050)	(457)	(248)	(1,585)

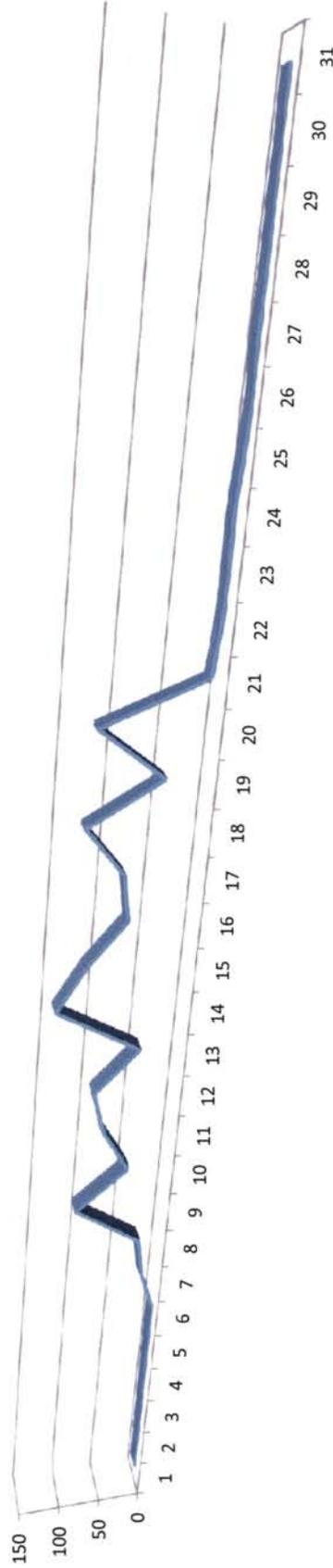
City of Callaway
Lockbox Cost Comparisons

Expense Detail

Lockbox Fee Detail

	April	May	June	July	August	September	Totals
FY 2015							
Per item fee # of trans.	698	762	977	1,648	1,695	1,104	6,884
ACH Transactions	0.65	454	495	635	1,071	1,102	4,475
Monthly maintenance fee	50	50	50	50	50	50	300
Collection of NSF checks	na	na	na	-	-	-	-
Review / tests of delinquent list as compared to collections	na	na	na	-	-	-	-
Totals	698	504	762	685	1,648	1,121	6,884
							4,775

Average # of Trans. Per Day



City of Callaway
Lockbox Cost Comparisons

Additional Information Requested

In order to resolve any outstanding issues and maximize the efficiency of our process, follow-up meetings were held after our initial implementation. Solutions to improve our processes and to improve customer service include:

- ➔ Sending delinquent and cutoff lists to the lockbox provider to test for any posting discrepancies.
- ➔ Notifying customers using a pre-recorded message of account delinquencies and cut off dates which has significantly reduced our cut off list.
- ➔ Adding the option for delinquent customers to pay our provider immediately, over the phone when answering notification calls.
- ➔ NSF check collection at no cost to the City.
- ➔ Processing of drop box payments to smooth peak workload days and to ensure timely posting and collection deposits.

Drop Box Payments sent to Lockbox Provider

Date Sent	Fed Ex Charge	Number of Checks	Amount Deposited
6/15/2015	9.20	237	\$ 23,104
7/13/2015	5.79	346	40,885
7/16/2015		441	64,966
7/17/2015	7.82	394	41,549
8/13/2015	9.20	133	31,580
8/17/2015	6.88	530	63,335
9/14/2015		227	23,200
9/17/2015	5.59	317	42,788
Totals	44.48	2,625	\$ 331,407

Personnel Costs for a Part-time employee

Annual Cost (Part-time 25hrs weekly)

- 10.25 x 1,300 = 13,325.00
- FICA = 826.15
- Medicare = 193.21
- FRS = 967.40
- WC = 34.65
- Total Annual Cost = \$15,346.41

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: REVIEW OF RESOLUTION NO. 13-27 – UTILITY DEPOSITS

1. PLACED ON AGENDA BY:

J. Michael Fuller, City Manager

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)

AT THE LAST REGULAR COMMISSION MEETING ON SEPTEMBER 22, 2015, THERE WAS DISCUSSION FROM THE BOARD REGARDING HOW UTILITY DEPOSITS ARE CALCULATED AND IF THE AMOUNT SHOULD BE REVIEWED. CURRENTLY, THE DEPOSIT AMOUNTS ARE ESTABLISHED IN RESOLUTION NO. 13-27, A COPY OF WHICH IS ATTACHED. ALSO INCLUDED FOR YOUR REVIEW IS A LIST OF DEPOSIT AMOUNTS FROM NEARBY UTILITY PROVIDERS.

ATTACHMENT:

- RESOLUTION NO. 13-27
- OTHER CITY/COUNTY PROVIDERS

5. REQUESTED MOTION/ACTION:

Discussion and/or Direction to Staff

RESOLUTION 13- 27

A RESOLUTION OF THE CITY OF CALLAWAY, FLORIDA, AMENDING RESOLUTION 08-29; AMENDING DEPOSIT SCHEDULE; AMENDING DEPOSIT REFUND PROCEDURES; AMENDING RECONNECTION CHARGES; PROVIDING FOR SERVICE WORK ORDER FEES; REPEALING ALL RESOLUTIONS OR PARTS OF RESOLUTIONS IN CONFLICT HEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Resolution 08-29 sets 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 deposit amounts, fees and charges.

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

SECTION 1. UTILITY SERVICE RECONNECTION CHARGES. Reconnection charges required in Section 18-51 and 18-108 of the Callaway Code of Ordinances shall be \$25.00 if such reconnection is accomplished between the hours of 7:30 a.m. and 6:00 p.m. Monday through Friday; and \$55.00 if reconnection is accomplished after hours.

SECTION 2. DEPOSITS AND ACCOUNT CHARGES. Deposits and account charges called for in Section 18-52 and 18-106 of the Callaway Code of Ordinances shall be as follows:

A. WATER ACCOUNT DEPOSITS

- i. **RESIDENTIAL WATER CUSTOMERS.** Any residential customer as defined in Chapter 18 of the Callaway Code of Ordinances of the City of Callaway shall be required to pay a \$250.00 deposit plus a \$10.00 account charge.
- ii. **IRRIGATION SYSTEMS.** Any residential water customers who have an established water account with the City shall be required to pay connection fees and a Forty dollar (\$40.00) deposit for installation of an irrigation meter. The deposit for commercial customers with a ¾" meter size shall be \$100.00.
- iii. **COMMERCIAL, INDUSTRIAL OR BULK WATER CUSTOMERS.** Each commercial, industrial or bulk customer shall be required to pay a water deposit in the following amount:

<u>METER SIZE (in inches)</u>	<u>DEPOSIT</u>
3/4"	\$300.00
1.0"	\$375.00
1.5"	\$500.00
2.0"	\$750.00
Above 2.0"	\$1,150.00

However, instead of rendering the deposits listed above, the following listed establishments are hereby required to render the following deposits:

- a. Restaurant.....\$850.00
- b. Hotel, Motel, Apartment Complex, Retirement Home, Duplex, Triplex, Quadriplex, Mobile Home Park:
Per Unit/Space.....\$100.00
- c. Laundry.....\$1,250.00
- d. Shopping Center.....\$1,250.00
- e. Car Wash or Day Care Center.....\$1,250.00

B. SEWER ACCOUNT CHARGES

- i. **RESIDENTIAL SEWER CUSTOMERS.** Residential sewer only customers must pay a deposit of \$135.00 and a \$10.00 account charge to establish a utility account with the City.
- ii. **COMMERCIAL, INDUSTRIAL AND MULTI-FAMILY MASTER METER SEWER CUSTOMERS.** Commercial, industrial and bulk or multi-family master meter sewer customers must pay a deposit of \$135.00 per unit/space and an account charge of \$10.00 to establish a utility account with the City.

C. DEPOSIT REFUND. In the event a customer closes an account, the deposit will be first applied to any sums outstanding on the account and the balance will be refunded to the customer at the last known address on file with the City.

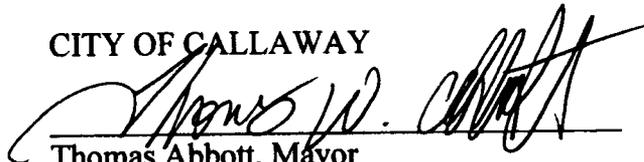
SECTION 3. SERVICE WORK CHARGES. Service work orders and checks for leaks or meter misreads requested by a customer shall result in a \$10.00 charge on that customer's utility account. In the event the service call results in the discovery of a City leak or misread meter the charge shall not apply. Customers are allowed one service call per year without charge.

SECTION 4. REPEALER. All Resolutions or parts of Resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 5. EFFECTIVE DATE. This Resolution shall take effect December 1, 2013.

PASSED AND ADOPTED at the Regular Meeting of the City Commission of the City of Callaway, Florida this 12th day of November, 2013.

CITY OF CALLAWAY



Thomas W. Abbott

Thomas Abbott, Mayor

ATTEST:



Sandra B. Hirth

Sandra B. Hirth, City Clerk

Bay County Utility Deposit Fees

residential water deposit	\$40.00
residential sewer deposit	\$80.00
non-refundable service charge	\$15.00
irrigation meter deposit	\$40.00
commercial water deposit*	\$100.00
commercial sewer deposit*	\$100.00

*Minimum \$100. Commercial deposits based on meter size.

Panama City Utility Deposit Fees

water, sewer, garbage service deposit	\$140.34
non-refundable service charge	\$25.00

*Commercial account deposits vary.

Lynn Haven Utility Deposit Fees

water, sewer, garbage service deposit	\$100.00
non-refundable connection fee (inside city)	\$50.00
non-refundable connection fee (outside city)	\$62.50

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: ORDINANCE NO. 961 – CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2015

1. **PLACED ON AGENDA BY:**
J. MICHAEL FULLER, CITY MANAGER

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)**

Ordinance No. 961 authorizes the issuance of the Capital Improvement Extension Revenue Refunding Bonds (the Series 2015 Bonds) not to exceed \$20,000,000. The Series 2015 Bonds will be used for the purpose of refunding all of the Series 2007 Bonds previously issued by the City in June 2007. As previously determined by the City Commission, Ordinance No. 961 appoints the same Agents, Trustee, and Underwriter for the 2015 bond issuance.

The City Commission has home-rule authority (Art. VII (2) FL Constitution and §166.011 F.S.) to consider matters of fiscal benefit.

ATTACHMENT(S):

- ORDINANCE NO. 961

5. **REQUESTED MOTION/ACTION:**

Staff recommends the City Commission approve the first reading of Ordinance No. 961 upon roll-call vote and set the date for the final reading/public hearing.

ORDINANCE NO. 961

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF CALLAWAY, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$20,000,000 CITY OF CALLAWAY, FLORIDA CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2015 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE ISSUER AND PAYING THE COSTS OF ISSUANCE THEREOF; DELEGATING TO THE MAYOR THE AUTHORITY TO DEEM FINAL FOR CERTAIN PURPOSES AND APPROVE THE USE OF AND DISTRIBUTION OF THE PRELIMINARY OFFICIAL STATEMENT AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2015 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE SERIES 2015 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE; APPOINTING AN UNDERWRITER; APPOINTING AN ESCROW AGENT AND APPROVING THE FORM OF THE ESCROW DEPOSIT AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION AND EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; PROVIDING FOR THE APPLICATION OF BOND PROCEEDS; DELEGATING THE APPROVAL OF CERTAIN INSURANCE AND SURETY COMMITMENTS RELATING TO THE SERIES 2015 BONDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2015 BONDS; MAKING CERTAIN DECLARATIONS; PROVIDING FOR CERTAIN MATTERS IN CONNECTION THEREWITH; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Callaway, Florida (the "Issuer") is a municipal corporation organized and validly existing under the provisions of Chapter 166, Florida Statutes; and

WHEREAS, the Issuer previously issued its outstanding \$20,435,000 Capital Improvement Revenue Bonds, Series 2007 (Special Capital Extension Project) pursuant to Ordinance No. 841 enacted on June 26, 2007 (the "Series 2007 Bonds");

WHEREAS, the Issuer has determined to issue its City of Callaway, Florida Capital Improvement Revenue Refunding Bonds, Series 2015 (the "Series 2015 Bonds"), for the purpose, among other things, of refunding all of the Series 2007 Bonds (the "Refunded Bonds");

WHEREAS, the principal of and interest on the Series 2015 Bonds and all required reserve and other payments shall be secured solely by and payable from the revenues pledged for the payment thereof, as provided herein;

WHEREAS, the Issuer shall never be required to levy ad valorem taxes on any real or personal property within the City of Callaway to pay the principal of and interest on the Series 2015 Bonds herein authorized or to make any other payments provided for herein and the Series 2015 Bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer;

WHEREAS, the revenues pledged for the payment thereof are not now pledged or encumbered in any manner;

WHEREAS, due to the complex nature of this financing, the critical importance of the timing of the sale of the Series 2015 Bonds and due to the willingness of the Underwriter to purchase the Series 2015 Bonds, at interest rates favorable to the Issuer, it is hereby determined that it is in the best interest of the public and the Issuer to sell the Series 2015 Bonds at a negotiated sale;

WHEREAS, the Issuer has been or will be provided all applicable disclosure information required by Section 218.385, Florida Statutes; and

WHEREAS, there has been submitted to this meeting with respect to the issuance of the Series 2015 Bonds and submitted to the City Commission:

(i) a form of a Trust Indenture between Regions Bank and the Issuer attached hereto as **Exhibit A** (the "Trust Indenture");

(ii) a form of Bond Purchase Agreement between the Issuer and RBC Capital Markets, LLC attached hereto as **Exhibit B** (the "Bond Purchase Agreement");

(iii) a form of Escrow Deposit Agreement between the Issuer and an escrow agent attached hereto as **Exhibit C** (the "Escrow Deposit Agreement");

(iv) the form of Preliminary Official Statement attached hereto as **Exhibit D** (the "Preliminary Official Statement"); and

(v) a form of Continuing Disclosure Agreement attached hereto as **Exhibit E**.

NOW, THEREFORE, BE IT ORDAINED by the City Commission of the City of Callaway, Florida, as follows:

Section 1. Authority For This Ordinance. This Ordinance is enacted pursuant to Chapter 166, Part II, Florida Statutes and other applicable provisions of law.

Section 2. Authorization, Designation and Principal Amount of the Series 2015 Bonds. The Issuer hereby authorizes the issuance of the Series Bonds of the Issuer to be designated as "City of Callaway, Florida Capital Improvement Revenue Refunding Bonds, Series 2015" in the not to exceed principal amount of \$20,000,000. The refunding of the

Refunded Bonds is hereby authorized and the Series 2015 Bonds are hereby issued for such purpose.

Section 3. Details of the Series 2015 Bonds. The Issuer hereby determines that the Series 2015 Bonds shall be dated, have such interest payment dates, have such maturities, have such redemption provisions and bear interest at such rates, all as provided in the Trust Indenture, the Official Statement and/or subsequent resolution.

Section 4. Trust Indenture. Regions Bank, Orlando, Florida, is hereby appointed as Trustee for the Series 2015 Bonds. The Issuer hereby approves and authorizes the execution by the Mayor or his designee and the City Clerk and the delivery of the Trust Indenture in substantially the form thereof attached hereto as **Exhibit A**, with such changes therein as shall be approved by the Mayor or his designee executing the same, with such execution to constitute conclusive evidence of such officer's approval and the Issuer's approval of any changes therein from the form of Trust Indenture attached hereto.

Section 5. Delegation of Sale of the Series 2015 Bonds. Subject to full satisfaction of the conditions set forth in this Section, the City Commission of the Issuer hereby authorizes a delegated negotiated sale of the Series 2015 Bonds to the Underwriter, as defined in Section 6 hereof, in accordance with the terms of a Bond Purchase Agreement to be dated the date of sale and to be substantially in the form attached hereto as **Exhibit B**, with such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Mayor or his designee in accordance with the provisions of this Section (including, without limitation, making the final determination concerning the structuring and marketing of the Series 2015 Bonds to obtain the most favorable interest rate on the Series 2015 Bonds), and the execution and delivery of the Bond Purchase Agreement by the Mayor or his designee shall be deemed conclusive evidence of the approval of such changes and the full and complete satisfaction of the conditions set forth in this Section.

Notwithstanding the foregoing, the Bond Purchase Agreement shall not be executed by the Mayor or his designee until such time as all of the following conditions have been satisfied:

1. Receipt by the Mayor or his designee of a written offer to purchase the Series 2015 Bonds by the Underwriter substantially in the form of the Bond Purchase Agreement, said offer to provide for, among other things, (i) the issuance of not exceeding \$20,000,000 principal amount of the Series 2015 Bonds, (ii) an underwriting discount (including management fee and all expenses) not in excess of \$5.00 per bond, (iii) a true interest cost of not more than 5.0% per annum and (iv) the maturities of the Series 2015 Bonds with the final maturity no later than August 1, 2037.

2. The Series 2015 Bonds may be subject to such optional and mandatory redemption provisions as provided in the Bond Purchase Agreement.

3. Receipt by the Mayor or his designee from the Underwriter of a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes and substantially in the form attached to the Bond Purchase Agreement.

Upon satisfaction of the conditions set forth in this Section, the Mayor or his designee are hereby authorized to execute and deliver the Series 2015 Bonds and any other documents, agreements or certificates relating to the Series 2015 Bonds, and are further authorized and directed to prepare and furnish to the purchasers of the Series 2015 Bonds, when the Series 2015 Bonds are issued, certified copies of all the proceedings and records of the Issuer relating to the Series 2015 Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Series 2015 Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Issuer as to the truth of all statements contained therein.

Section 6. Appointment of Underwriter. RBC Capital Markets, LLC, is hereby appointed the Underwriter of the Series 2015 Bonds (the "Underwriter").

Section 7. Preliminary Official Statement; Final Official Statement. The Issuer hereby authorizes and approves the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as **Exhibit D** in connection with the offering for sale of the Series 2015 Bonds. The preparation of a final Official Statement is hereby approved and the Mayor or his designee is hereby authorized to execute such final Official Statement to be dated the date of the award of the Series 2015 Bonds, and upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2015 Bonds. The Official Statement shall be substantially in the form as the Preliminary Official Statement, with such changes as shall be approved by the Mayor or his designee as necessary to conform to the details of the Series 2015 Bonds, the Bond Purchase Agreement, the Escrow Deposit Agreement, the Trust Indenture and such other insertions, modifications and changes as may be approved by the Mayor or his designee. The execution and delivery of the Official Statement by the Mayor shall constitute evidence of the approval thereof. The Issuer hereby authorizes the use of the Official Statement and the information contained therein in connection with the offering and sale of the Series 2015 Bonds. The Issuer hereby authorizes the Mayor or his designee to deem "final" the Preliminary Official Statement except for permitted omissions all within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 and to execute a certificate in that regard.

Section 8. Appointment of Escrow Agent and Approval of Escrow Deposit Agreement. Regions Bank, Orlando, Florida, is hereby appointed as escrow agent for the Refunded Bonds. Simultaneously with the delivery of the Series 2015 Bonds to the Underwriter, the Issuer shall enter into an Escrow Deposit Agreement, in substantially the form attached hereto as **Exhibit C**. The Mayor and the City Clerk are hereby authorized to enter into any agreements with such escrow agent, which may be necessary to reflect the obligation of

such escrow agent to accept and perform the respective duties imposed upon each and to effectuate the transactions contemplated by this Ordinance.

PFM Asset Management is hereby appointed as bidding agent, and is authorized to act on behalf of the Issuer to structure and bid securities to be deposited into the escrow account pursuant to the Escrow Deposit Agreement. The Issuer shall be responsible for payment of the securities and all fees associated with the structuring and bidding of the securities.

The Issuer elects, effectively upon and only upon the issuance of the Series 2015 Bonds, the Refunded Bonds shall be defeased and called for redemption in accordance with the Refunding Plan in the Preliminary Official Statement. The paying agent for the Refunded Bonds is hereby authorized to provide written notice to the registered owners of the Refunded Bonds and to any bondholder whose name and address are on file with the paying agent. The escrow agent is hereby authorized to publish a notice of redemption, if required.

Section 9. Transfer of Funds. Moneys in the various funds and accounts created under the trust indenture securing the Refunded Bonds shall be transferred as provided by a certificate to be executed by the Mayor and the City Clerk.

Section 10. Delegation of Municipal Bond Insurer and Surety Provider. In order to obtain the most favorable premiums on an insurance policy and a surety bond, the City Manager is hereby authorized to solicit bids from interested municipal bond insurers and the Mayor is authorized to accept, execute and deliver the commitment of whichever municipal bond insurer and/or surety provider provides the terms and provisions which, after consultation with the Issuer's Financial Advisor, is in the best interest of the Issuer. The City Manager can designate all, some or none of the Series 2015 Bonds to be insured. The Mayor is hereby authorized to execute such agreements containing the provisions of an insurance policy and/or a surety policy. The Issuer further authorizes application of Series 2015 Bond proceeds to payment of the premium for the insurance policy and the surety policy. A statement of insurance is authorized to be printed on the Series 2015 Bonds for the benefit and information of the Bondholders.

Section 11. Continuing Disclosure. The Issuer does hereby authorize and approve the execution and delivery of a Continuing Disclosure Agreement by the Mayor or his designee substantially in the form presented to this meeting and attached hereto as **Exhibit E**. The Continuing Disclosure Agreement is being executed by the Issuer in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 12. Application of Bond Proceeds. The proceeds of the Series 2015 Bonds shall be applied to (i) fund a deposit to an escrow account pursuant to the Escrow Deposit Agreement, and (ii) paying the costs of issuance of the Series 2015 Bonds.

Section 13. Further Official Action; Ratification of Prior and Subsequent Acts. The Mayor, the City Manager, the Finance Director, the City Clerk, the City Attorney and each

member of the City Commission of the Issuer and any other proper official of the Issuer are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2015 Bonds, any documents required in connection with implementation of a book-entry system of registration, and investment agreements relating to the investment of the proceeds of the Series 2015 Bonds and any agreements in connection with maintaining the exclusion of interest on the Series 2015 Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Ordinance. In the event that the Mayor or the City Clerk is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the Issuer. The City Clerk is hereby authorized and directed to apply and attest the official seal of the Issuer to any agreement or instrument authorized or approved herein that requires such a seal and attestation. All of the acts and doings of such members of the City Commission, the officers of the Issuer, and the agents and employees of the Issuer, which are in conformity with the intent and purposes of this Ordinance and the Trust Indenture, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 14. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or ineffective for any reason, the remainder of this Ordinance shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Ordinance would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

Section 15. Inconsistent Proceedings. All ordinance, resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

Section 16. Effective Date. This Ordinance shall take effect immediately upon its enactment.

ENACTED this ___ day of _____, 2015.

CITY OF CALLAWAY, FLORIDA

Attest:

Mayor

City Clerk

EXHIBIT A
FORM OF TRUST INDENTURE

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

EXHIBIT E

FORM OF CONTINUING DISCLOSURE AGREEMENT

TRUST INDENTURE

between

CITY OF CALLAWAY, FLORIDA

and

**REGIONS BANK
As Trustee**

Dated as of ____, 2015

relating to

**CITY OF CALLAWAY, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS
SERIES 2015
(SPECIAL CAPITAL EXTENSION PROJECT)**

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EXHIBIT A - FORM OF SERIES 2015 BOND

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of ____, (the "Indenture"), by and between the **CITY OF CALLAWAY, FLORIDA** (the "Issuer"), a municipal corporation organized and existing under Florida law and **REGIONS BANK**, an Alabama banking corporation and having corporate trust offices in Orlando, Florida (said Alabama banking corporation and any bank or trust company becoming successor trustee under the Indenture being hereinafter referred to as the "Trustee");

WITNESSETH:

WHEREAS, the Issuer is a municipal corporation duly organized and validly existing, created and existing under the provisions of Chapter 166, Florida Statutes; and

WHEREAS, the Issuer previously issued its outstanding \$20,435,000 Capital Improvement Revenue Bonds, Series 2007 (Special Capital Extension Project) pursuant to Ordinance No. 841 enacted on June 26, 2007 the proceeds of which financed the Project; and

WHEREAS, the Issuer has determined to issue its City of Callaway, Florida Capital Improvement Revenue Refunding Bonds, Series 2015 (Special Capital Extension Project), for the purpose, among other things, of refunding all of the Refunded Bonds pursuant to this Indenture; and

WHEREAS, the estimated Pledged Funds will be sufficient to pay all principal of and interest and redemption premium, if any, on the Series 2015 Bonds to be issued hereunder, as the same become due, and to make all required deposits and payments required by this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to provide for the issuance of Series 2015 Bonds under this Indenture, the security and payment of the principal, Redemption Price thereof and interest thereon, the rights of the Owners of the Series 2015 Bonds and the performance and observance of all of the covenants contained herein and in said Series 2015 Bonds for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2015 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer hereby assigns, transfers, sets over and pledges to the Trustee and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Funds (hereinafter defined) as security for the payment of the principal, Redemption Price of and interest on Series 2015 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

ARTICLE I DEFINITIONS

In this Indenture (except as otherwise expressly provided or unless the context otherwise requires) terms defined in the recitals hereto shall have the same meaning throughout the Indenture, and in addition, the following terms shall have the meanings specified below:

“Accounts” shall mean any account established pursuant to the Indenture.

“Accountant” shall mean the independent certified public accountant or firm of certified public accountants at the time employed by the Issuer under the provisions of this Indenture to perform and carry out the duties imposed on the Accountant by this Indenture.

“Act” shall mean the Constitution and laws of the State of Florida, Chapter 166, Part II, Florida Statutes, the Charter of the Issuer, Ordinance No. _____ enacted on _____, 2015 and other applicable provisions of law.

“Authenticating Agent” shall mean the agent so described in, and appointed pursuant to, Section 2.05 hereof.

“Authorized Denomination” shall mean a denomination of \$5,000 or any integral multiple thereof.

“Authorized Investments” shall mean investments which are (i) permitted by applicable Florida law, or (ii) approved by the Insurer.

“Authorized Issuer Officer” for the performance on the behalf of the Issuer of any act of the Issuer or the execution of any instrument on behalf of the Issuer shall mean any person authorized by resolution or certificate of the Issuer to perform such act or sign such document.

“Authorized Newspaper” shall mean a newspaper printed in English and customarily published at least once a day at least five days a week and generally circulated in New York, New York, or such other cities as the Issuer from time to time may determine by written notice provided to the Trustee. When successive publications in an Authorized Newspaper are required, they may be made in the same or different Authorized Newspapers.

“Bond Counsel” shall mean any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America approved by the Issuer.

“Bondholder” or “Holder” or “holder” or “Owner” shall mean any Person who shall be the registered owner of any Outstanding Series 2015 Bond or Series 2015 Bonds according to the registration books of the Issuer.

“Business Day” shall mean any day other than a Saturday or Sunday or legal holiday or a day on which the principal office of the Issuer, the Trustee, the Registrar or any Paying Agent is closed.

“Cede & Co” shall mean the entity which is the nominee for bond registration purposes for DTC.

“City Clerk” shall mean the City Clerk and any Acting City Clerk of the Issuer.

“City Manager” shall mean the City Manager of the Issuer.

“Code” shall mean the United States Internal Revenue Code of 1986, as the same may be amended from time to time, and the regulations thereunder, whether proposed, temporary or final, promulgated by the Department of the Treasury, Internal Revenue Service, and all other promulgations of said service pertaining thereto.

“Connection Fee” shall mean a fee paid for costs reasonably attributable to making a physical connection or tap into the Water System or Sewer System, including labor, materials, supplies, overhead and administrative expenses.

“Consulting Engineers” shall mean one or more qualified and recognized consulting engineers or firm of consulting engineers having favorable repute, skill and experience with respect to the planning, design and operation of public utility systems similar to the System, who shall be retained from time to time by the Issuer.

“Debt Service Fund” shall mean the Debt Service Fund established pursuant to Section 3.03 hereof.

“Debt Service Requirement” for any Fiscal Year shall mean the sum of:

(1) The aggregate amount required to pay the interest becoming due on the Series 2015 Bonds, during such Fiscal Year, except to the extent that such interest shall have been provided by payments into the Interest Account out of Series 2015 Bond proceeds or other sources (other than Pledged Funds) for a specified period of time.

(2) The aggregate amount required to pay the principal becoming due on the Series 2015 Bonds, for such Fiscal Year.

“Electric Public Service Tax” shall mean the means the revenues levied and collected by the Issuer on the sale of electricity under the authority of Section 166.231, Florida Statutes and Ordinance No. ____ duly enacted by the City Council of the Issuer on ____.

“Event of Default” shall mean any of the events described in Section 7.02 hereof.

“Federal Securities” shall mean direct obligations of the United States of America and obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor. Federal Securities shall include any certificates or any other evidences of an ownership interest in the aforementioned obligations or in specified portions thereof (which may consist of specified portions of the interest thereon).

“Fiscal Year” shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

“Fitch” shall mean Fitch Ratings, the nationally recognized securities rating firm, and any successor and successors thereto; and if such corporation shall be dissolved or liquidated or shall no longer perform securities rating functions, shall mean any other nationally recognized securities rating firm designated by the Issuer.

“Fund” shall mean any fund established pursuant to this Indenture.

“Generally Accepted Accounting Principles” shall mean those accounting principles applicable in the preparation of financial statements of municipalities.

“Governing Body” shall mean the City Commission of the Issuer, or its successor in function.

“Impact Fees” shall mean the fee imposed by Ordinance No. 713 of the Issuer, as may be amended from time to time.

“Indenture” shall mean this Trust Indenture dated as of _____ 1, 2015 between the Issuer and the Trustee, as may be amended or supplemented from time to time.

“Independent” shall mean a Person who is not a member of the Issuer's Governing Body, an officer or employee of the Issuer, or which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the Issuer's Governing Body, or an officer or employee of the Issuer; provided, however, that the fact that such Person is retained regularly by or regularly transacts business with the Issuer shall not make such Person an employee within the meaning of this definition.

“Insurer” shall mean _____, a _____ company.

“Interest Account” shall mean the separate account of that name in the Debt Service Fund established pursuant to Section 3.03 hereof.

“Interest Payment Date” shall mean February 1 and August 1 of each year, beginning February 1, [2016.]

“Issuer” shall mean the City of Callaway, Florida, and any governmental entity acting as its successor.

“Maximum Debt Service Requirement” shall mean, as of any particular date of calculation, the greatest annual Debt Service Requirement for the Series 2015 Bonds for the then current or any future Fiscal Year.

“Mayor” shall mean the Mayor or Mayor Pro-Tempore of the Issuer.

“Moody's Investors Service” shall mean Moody's Investors Service, the nationally recognized securities rating firm, and any successor or successors thereto; and if such corporation shall be dissolved or liquidated or shall no longer perform securities rating functions, shall mean any other nationally recognized securities rating firm designated by the Issuer.

“Outstanding” shall mean all Series 2015 Bonds theretofore and thereupon being authenticated and delivered, except (1) any Series 2015 Bond in lieu of which another Series 2015 Bond or other Series 2015 Bonds have been issued under an agreement to replace lost, mutilated or destroyed Series 2015 Bonds, (2) any Series 2015 Bond surrendered by the Holder thereof in exchange for another Series 2015 Bond or other Series 2015 Bonds under Sections 2.07 and 2.10 hereof, (3) Series 2015 Bonds deemed to have been paid pursuant to Section 11.01 hereof, and (4) Series 2015 Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity.

“Paying Agent” shall mean the Trustee.

“Person” shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

“Pledged Funds” shall mean (i) the Sales Tax Revenues, (ii) Electric Public Service Tax, (iii) until applied in accordance with the provisions of this Indenture, the proceeds of the Series 2015 Bonds, and (iv) all moneys, including investments thereof, in the Funds and Accounts established hereunder, except the Rebate Fund.

“Policy” means the insurance policy or policies issued by the Insurer insuring the payment of the principal of and interest on the Series 2015 Bonds as provided therein.

“Prerefunded Obligations” shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (a) not callable prior to maturity or (b) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are fully secured as to principal, redemption premium,

if any, and interest by a fund consisting only of cash or Federal Securities, secured in the manner set forth in Section 4.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Federal Securities deposited in such fund with any cash on deposit in such fund, are sufficient, as verified by an independent certified public accountant, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in such irrevocable instructions, and (4) which are rated in the highest rating category of Standard & Poor's Rating Group and of Moody's Investors Service.

"Principal Account" shall mean the separate account of that name in the Debt Service Fund established pursuant to Section 3.03 hereof.

"Project" shall mean the acquisition, construction, erection, renovation or reconstruction of certain additions, extensions and improvements to the System, including specifically the extension of water and sewer distribution, collection and transmission facilities to serve Allanton peninsula and shall include all property rights, appurtenances, easements, rights of way, franchises and equipment relating thereto and deemed necessary or convenient for the acquisition, construction, erection, renovation, reconstruction, or the operation thereof which shall be financed in whole or in part with the proceeds of Series 2015 Bonds.

"Qualified Independent Consultant" shall mean one or more qualified and recognized Independent consultants, having favorable repute, skill and experience with respect to the acts and duties required of a qualified Independent consultant to be provided to the Issuer, as shall from time to time be retained by the Issuer to perform the acts and carry out the duties herein provided for such consultants. The Qualified Independent Consultant may be also the Accountant or the Issuer's Consulting Engineers.

"Rebate Fund" shall mean the Rebate Fund established pursuant to Section 3.03 hereof.

"Record Date" shall mean, as the case may be, the applicable Regular or Special Record Date.

"Redemption Price" shall mean, with respect to any Series 2015 Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 2015 Bond and this Indenture.

"Refunded Bonds" shall mean all of the Issuer's \$20,435,000 Capital Improvement Revenue Bonds, Series 2007 (Special Capital Extension Project) outstanding in the principal amount of \$_____.

"Registrar" shall mean the Trustee.

“Regular Record Date” shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

“Reserve Fund” shall mean the Reserve Fund established pursuant to Section 3.03 hereof.

“Reserve Fund Requirement” shall mean an amount equal to the lesser of (i) ten (10%) percent of the proceeds of the Series 2015 Bonds, (ii) Maximum Debt Service Requirement for the Series 2015 Bonds or (iii) one hundred twenty-five (125%) percent of the average annual Debt Service Requirement for the Series 2015 Bonds.

“Revenue Fund” shall mean the Revenue Fund established pursuant to Section 3.03 hereof.

“Sales Tax Revenues” shall mean all amounts received by the Issuer from the Local Government Half-Cent Sales Tax Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes.

“Securities” shall mean Federal Securities and Prerefunded Obligations.

“Series 2015 Bonds” shall mean the Issuer’s \$ _____ Capital Improvement Revenue Bonds, Series 2015 (Special Capital Extension Project) authorized to be issued pursuant to this Indenture.

“Sewer System” shall mean the complete sewer, wastewater and residential reuse system now owned, operated and maintained by the Issuer and which the Issuer is, or shall be responsible for, maintaining, together with any and all acquisitions, improvements, extensions and additions thereto, hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible (including agreements for the providing of such services), now or hereafter constructed and/or owned or used in connection therewith.

“Special Record Date” shall mean such date as shall be fixed for the payment of defaulted interest on the Series 2015 Bonds in accordance with Section 2.03 hereof.

“Standard & Poor’s Rating Group” shall mean Standard & Poor’s Rating Group, the nationally recognized securities rating firm, and any successor and successors thereto; and if such organization shall be dissolved or liquidated or shall no longer perform securities rating functions, shall mean any other nationally recognized securities rating firm designated by the Issuer.

“State” shall mean the State of Florida.

“System” shall mean, collectively, the Water System and the Sewer System of the Issuer. Notwithstanding the foregoing definition of the term System, such term shall not include any properties or interest in properties of the Issuer which the Issuer determines shall not constitute a part of the System for the purpose of this Indenture.

“Trustee” shall mean Regions Bank, Orlando, Florida, as trustee or any successor thereto under this Indenture.

“Trust Estate” shall mean the property, rights, Pledged Funds and other assets pledged to the Trustee pursuant to the Whereas Clauses hereof.

“Water System” shall mean the complete water system now owned, operated and maintained by the Issuer or which is proposed to be acquired by and operated and maintained by the Issuer and which the Issuer is, or shall be responsible for, maintaining, together with any and all acquisitions, improvements, extensions and additions thereto, hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible (including agreements for the providing of such services), now or hereafter constructed and/or owned or used in connection therewith.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms, shall refer to this Indenture; the term “heretofore” shall mean before the date of this Indenture; and the term “hereafter” shall mean after the date of this Supplemental Indenture.

[END OF ARTICLE I]

ARTICLE II
THE SERIES 2015 BONDS

Section 2.01. Authorization of Series 2015 Bonds and Refunding. The Issuer hereby authorizes the issuance of Series 2015 Bonds of the Issuer pursuant to the Act to be designated as "City of Callaway, Florida Capital Improvement Revenue Refunding Bonds, Series 2015 (Special Capital Extension Project)" in the aggregate principal amount of \$_____. The Series 2015 Bonds may have a different series designation based on the year issued. Refunding of the Refunded Bonds is hereby authorized and the Series 2015 Bonds are hereby issued for such purpose.

Section 2.02. Description of Series 2015 Bonds. The Series 2015 Bonds shall be issued in fully registered form; shall be numbered consecutively from R-1 upward; shall be in Authorized Denominations and in substantially the form as Exhibit A hereto. Each Series 2015 Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated, unless authenticated on an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date, or, unless authenticated prior to the first Interest Payment Date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Series 2015 Bond shall bear interest from the date to which interest shall have been paid. The Series 2015 Bonds shall bear interest at the rates, in the amounts and on the dates set forth below:

[To Come]

All Series 2015 Bonds shall be issued only upon satisfaction of the conditions set forth in Article III hereof; and the Trustee shall, at the Issuer's request, authenticate such Series 2015 Bonds and deliver them as specified in such request.

Section 2.03. Payment Provisions. Both the principal of and the interest on the Series 2015 Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Unless otherwise provided in Section 2.13 hereof, the principal of all Series 2015 Bonds shall be payable at the principal corporate trust office of the Paying Agent upon the presentation and surrender of such Series 2015 Bonds as the same shall become due and payable.

Except to the extent otherwise provided in Section 2.13 hereof, interest on any Series 2015 Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Series 2015 Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register (hereafter defined). The foregoing notwithstanding, any Owner of Series 2015 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and

Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date. Interest on the Series 2015 Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the rate of interest borne by such Series 2015 Bonds on the day before the default occurred.

From and after any maturity date of any of the Series 2015 Bonds (deposit of moneys and/or Securities for the payment of the principal and interest on such Series 2015 Bonds having been made by the Issuer with the Paying Agent), notwithstanding that any of such Series 2015 Bonds shall not have been surrendered for cancellation, no further interest shall accrue upon the principal or upon the interest which shall have accrued and shall then be due on such date, and such Series 2015 Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and the Holders shall have no rights in respect of such Series 2015 Bonds except to receive payment of such principal and unpaid interest accrued to the maturity date.

The Trustee is hereby constituted and appointed as Paying Agent for the Series 2015 Bonds.

Section 2.04. Execution. The Series 2015 Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Series 2015 Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Series 2015 Bonds so signed and sealed have been actually sold and delivered such Series 2015 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2015 Bonds had not ceased to hold such office. Any Series 2015 Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Series 2015 Bond shall hold the proper office of the Issuer, although at the date of such Series 2015 Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of this Indenture, notwithstanding that either or both shall have ceased to hold such office at the time the Series 2015 Bonds shall be actually sold and delivered.

Section 2.05. Authentication; Authenticating Agent. No Series 2015 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, hereby appointed as the Authenticating Agent, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created.

The Trustee shall be entitled to be reimbursed for payments made to any Authenticating Agent as reasonable compensation for its services.

Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of the Authenticating Agent hereunder, if such successor corporation is otherwise eligible under this Section, without the execution or filing of any further act on the part of the parties hereto or the Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee, the Issuer and any Paying Agent. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent, the Issuer and any Paying Agent. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section, the Trustee shall promptly appoint a successor Authenticating Agent, shall give written notice of such appointment to the Issuer and the Paying Agent, shall mail a notice of such appointment to all Holders of Series 2015 Bonds as the names and addresses of such Holders appear on the Bond Register.

Section 2.06. Registration and Registrar. The Trustee is hereby constituted and appointed as the Registrar for the Series 2015 Bonds. The Registrar shall act as registrar and transfer agent for the Series 2015 Bonds. The Issuer shall cause to be kept at an office of the Registrar a register (herein sometimes referred to as the "Bond Register" or "Register") in which, subject to the provisions set forth in Section 2.10 below and such other regulations as the Issuer and Registrar may prescribe, the Issuer shall provide for the registration of the Series 2015 Bonds and for the registration of transfers and exchanges of such Series 2015 Bonds. The Issuer shall cause the Registrar to designate, by a written notification to the Trustee, a specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept.

The Registrar when it is not also the Trustee, forthwith following each Record Date and at any other time as reasonably requested by the Trustee, shall certify and furnish to the Trustee, and to any Paying Agent as such Trustee shall specify, the names, addresses, and holdings of Bondholders and any other relevant information reflected in the Bond Register, and the Trustee and any such Paying Agent shall for all purposes be entitled to rely upon the information so furnished to it and shall have no liability or responsibility in connection with the preparation thereof.

Section 2.07. Mutilated, Destroyed, Lost or Stolen Series 2015 Bonds. If any Series 2015 Bond shall become mutilated, the Issuer shall execute and the Trustee or Authenticating Agent, as the case may be, shall thereupon authenticate and deliver a new Series 2015 Bond of like tenor and denomination in exchange and substitution for the Series 2015 Bond so mutilated,

but only upon surrender to the Trustee or Authenticating Agent, as the case may be, of such mutilated Series 2015 Bond for cancellation, and the Issuer and the Trustee or Authenticating Agent, as the case may be, may require reasonable indemnity therefor. If any Series 2015 Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee or Authenticating Agent, as the case may be; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee or Authenticating Agent, as the case may be, shall authenticate and deliver a new Series 2015 Bond of like tenor and denomination. The cost of providing any substitute Series 2015 Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Series 2015 Bond is provided. If any such mutilated, lost, stolen or destroyed Series 2015 Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee or Authenticating Agent, as the case may be, pay to the Owner the principal amount of and accrued interest on such Series 2015 Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Series 2015 Bond therefor.

Every substituted Series 2015 Bond issued pursuant to this Section 2.07 shall constitute an additional contractual obligation of the Issuer, whether or not the Series 2015 Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Series 2015 Bonds duly issued hereunder.

All Series 2015 Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Series 2015 Bonds, and shall preclude any and all other rights or remedies with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

Section 2.08. Temporary Series 2015 Bonds. Pending preparation of definitive Series 2015 Bonds, or by agreement with the original purchasers of all Series 2015 Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Series 2015 Bonds one or more temporary printed or typewritten Series 2015 Bonds of substantially the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Series 2015 Bonds in exchange for and upon surrender of an equal principal amount of temporary Series 2015 Bonds. Until so exchanged, temporary Series 2015 Bonds shall have the same rights, remedies and security hereunder as definitive Series 2015 Bonds. So long as Cede & Co., or any other nominee of DTC is the registered Owner of the Series 2015 Bonds, the definitive Series 2015 Bonds shall be in typewritten form.

Section 2.09. Cancellation and Destruction of Surrendered Series 2015 Bonds. All Series 2015 Bonds surrendered for payment or redemption and all Series 2015 Bonds surrendered for exchange shall, at the time of such payment, redemption or exchange, be promptly transferred by the Registrar, Paying Agent or Authenticating Agent to, and cancelled

and destroyed by, the Trustee. The Trustee shall deliver to the Issuer a certificate of destruction in respect of all Series 2015 Bonds destroyed in accordance with this Section.

Section 2.10. Registration, Transfer and Exchange. As provided in Section 2.06 hereof, the Issuer shall cause a Bond Register in respect of the Series 2015 Bonds to be kept at the designated office of the Registrar.

Upon surrender for transfer of any Series 2015 Bond at the designated office of the Registrar, and upon compliance with the conditions for the transfer of Series 2015 Bonds set forth in this Section 2.10, the Issuer shall execute and the Trustee (or Registrar or Authenticating Agent as described in Section 2.05 hereof) shall authenticate and deliver, in the name of the designated transferees, one or more new Series 2015 Bonds of a like aggregate principal amount and of the same maturity.

At the option of the Bondholder, Series 2015 Bonds may be exchanged for other Series 2015 Bonds of a like aggregate principal amount and of the same maturity, upon surrender of the Series 2015 Bonds to be exchanged at any such office or agency. Whenever any Series 2015 Bonds are so surrendered for exchange, the Issuer shall execute and the Trustee (or Registrar or Authenticating Agent as described in Section 2.05 hereof) shall authenticate and deliver the Series 2015 Bonds which the Bondholder making the exchange is entitled to receive.

All Series 2015 Bonds issued upon any transfer or exchange of Series 2015 Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under the Indenture as the Series 2015 Bonds surrendered upon such transfer or exchange.

Every Series 2015 Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing.

Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2015 Bonds.

Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue, transfer or exchange any Series 2015 Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Series 2015 Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Series 2015 Bond so selected for redemption in whole or in part.

Section 2.11. Persons Deemed Owners. The Issuer, the Trustee, any Paying Agent, the Registrar, or the Authenticating Agent shall deem and treat the person in whose name any Series 2015 Bond is registered as the absolute Owner thereof (whether or not such Series 2015 Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon

made by anyone other than the Issuer, the Trustee, any Paying Agent, the Registrar or the Authenticating Agent) for the purpose of receiving payment of or on account of the principal or Redemption Price of and interest on such Series 2015 Bond, and for all other purposes, and the Issuer, the Trustee, any Paying Agent, the Registrar and the Authenticating Agent shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Series 2015 Bond.

Section 2.12. Limitation on Incurrence of Certain Indebtedness. The Issuer will not issue Series 2015 Bonds, except upon the conditions and in the manner provided or as otherwise permitted in the Indenture.

Section 2.13. Qualification for the Depository Trust Company. The Trustee shall be authorized to enter into agreements with The Depository Trust Company, New York, New York ("DTC") and other depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to the Series 2015 Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Series 2015 Bonds and provision of notices with respect to Series 2015 Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Trustee) by overnight delivery, courier service, telegram, teletype or other similar means of communication.

So long as there shall be maintained a book-entry-only system with respect to the Series 2015 Bonds, the following provisions shall apply:

The Series 2015 Bonds shall initially be registered in the name of Cede & Co. as nominee for DTC, which will act initially as securities depository for the Series 2015 Bonds and so long as the Series 2015 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, the Series 2015 Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2015 Bonds ("Beneficial Owners").

Principal and interest on the Series 2015 Bonds prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

The Series 2015 Bonds shall initially be issued in the form of one fully registered Series 2015 Bond for each maturity and shall be held in such form until maturity. Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Series 2015 Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE SERIES 2015 BONDS, ANY NOTICES TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICES TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO BENEFICIAL OWNERS.

The Issuer and the Trustee shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2015 Bonds in the form of fully registered Series 2015 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Series 2015 Bonds may be exchanged for an equal aggregate principal amount of Series 2015 Bonds in other Authorized Denominations and of the same maturity upon surrender thereof at the designated corporate trust office of the Trustee.

Section 2.14. Provisions related to Insurer. Notwithstanding anything in this Indenture to the contrary, so long as the Policy shall be in full force and effect, the Issuer and the Trustee hereby agree to comply with the following provisions:

[To Come]

[END OF ARTICLE II]

ARTICLE III
SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

Section 3.01. Series 2015 Bonds not to be Indebtedness of Issuer. The Series 2015 Bonds shall not be or constitute general obligations or indebtedness of the Issuer as “bonds” within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Funds in accordance with the terms of this Indenture. No Holder of any Series 2015 Bond shall ever have the right to compel the exercise of the ad valorem taxing power of the State, Bay County, the Issuer or any governmental entity to pay such Series 2015 Bond or shall be entitled to payment of such Series 2015 Bond from any moneys of the Issuer except the Pledged Funds, in the manner provided herein. The Series 2015 Bonds are limited obligations of the Issuer. To the extent that Pledged Funds are not available, the Issuer shall not be compelled to use any other funds or revenues to make the required payments.

Section 3.02. Security for Series 2015 Bonds. The payment of the principal of or Redemption Price, if applicable, and interest on the Series 2015 Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Series 2015 Bonds.

The Pledged Funds shall be subject to the lien of this pledge immediately upon the issuance and delivery of the Series 2015 Bonds, without any physical delivery by the Issuer of the Pledged Funds or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind against the Issuer, in tort, contract or otherwise.

Section 3.03. Funds and Accounts. The Issuer covenants and agrees to establish the following separate Funds and Accounts to be held by the Trustee:

- (a) Revenue Fund.
- (b) Debt Service Fund. The Issuer shall establish in the Debt Service Fund two (2) accounts: the “Interest Account” and the “Principal Account”.
- (c) Reserve Fund.
- (d) Rebate Fund.

Section 3.04. Flow of Funds.

(a) **Revenues.** Beginning on the date the Series 2015 Bonds are issued, only to the extent a sufficient amount is not already on deposit from other legally available revenue sources of the Issuer in amounts sufficient to satisfy all payment obligations hereunder, the Issuer shall pay over to the Trustee all Pledged Funds upon receipt thereof. Upon receipt of the Pledged Funds, the Trustee shall deposit all such revenues into the Revenue Fund, promptly upon the

receipt thereof. On or before the last day of each month, commencing with the month in which delivery of the Series 2015 Bonds shall be made to the purchasers thereof, the moneys in the Revenue Fund shall be deposited or credited in the following manner and in the following order of priority:

(1) Debt Service Fund. The Trustee shall deposit into or credit to the Debt Service Fund such sums as are described in Section 3.04(b) hereof.

(2) Reserve Fund. Next, the Trustee shall deposit into or credit to the Reserve Fund such sums as are described in Section 3.04(c) hereof.

(3) Surplus Moneys. The balance of any moneys remaining in the Revenue Fund after the payments and deposits required by parts (1) and (2) of this subsection (a) shall remain therein, unless used to redeem Series 2015 Bonds pursuant to Section 5.01 hereof. After maturity and full payment of the Series 2015 Bonds, the Issuer shall use any remaining funds for any lawful purpose.

(b) Debt Service Fund. The Trustee shall deposit into or credit to the Debt Service Fund from moneys in the Revenue Fund an amount sufficient to make all of the deposits required by this subsection (b). The moneys on deposit in the Debt Service Fund shall be applied in the manner provided herein solely for the payment of the principal of or Redemption Price, if applicable, and interest on the Series 2015 Bonds and shall not be available for any other purpose. The moneys transferred from the Revenue Fund to the Debt Service Fund shall be deposited or credited in the following manner and in the following order of priority:

(1) Interest Account. The Trustee shall deposit into or credit to the Interest Account the sum which, together with the balance in said account, shall equal the interest on all Outstanding Series 2015 Bonds accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each). Moneys in the Interest Account shall be applied to pay interest on the Series 2015 Bonds as and when the same shall become due, whether by redemption or otherwise, and for no other purpose.

(2) Principal Account. Next, the Trustee shall deposit into or credit to the Principal Account the sum which, together with the balance in said Account, shall equal the principal amount of all Outstanding Series 2015 Bonds due and unpaid and that portion of the principal next due within one year which would have accrued on said Series 2015 Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be used to pay the principal of the Series 2015 Bonds as and when the same shall mature, and for no other purpose. The Issuer shall adjust the amount of deposit to the Principal Account not later than the month immediately preceding any

principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Series 2015 Bonds becoming due on such principal payment date.

(c) Reserve Fund. The Trustee shall deposit into the Reserve Fund such sum, if any, as will be necessary to immediately restore the funds on deposit therein to an amount equal to the Reserve Fund Requirement therefor. Such sum shall be deposited monthly until the balance in the Fund equals the Reserve Fund Requirement. Subject to the second paragraph of Section 6.02 hereof, on or prior to each principal and interest payment date for the Series 2015 Bonds, moneys in the Reserve Fund shall be applied by the Trustee to the payment of the principal of or Redemption Price, if applicable, and interest on the Series 2015 Bonds, to the extent moneys in the Interest Account and the Principal Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Fund by reason of a decrease in the Reserve Fund Requirement, such surplus moneys shall be deposited by the Trustee into the Principal Account or used to pay or provide for necessary rebate through the Rebate Fund. [May provide for a surety bond]

(d) Deposit of Moneys with Paying Agent. On or before the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Series 2015 Bonds, the Trustee shall withdraw from the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Series 2015 Bonds to be paid.

Section 3.05. Rebate Fund. Amounts on deposit in the Rebate Fund shall be held by the Trustee and used solely to make required rebates to the United States Treasury (except to the extent the same may be transferred to the Revenue Fund) and the Bondholders shall have no right to have the same applied for debt service on the Series 2015 Bonds. The Issuer agrees to undertake all actions required of it in its arbitrage certificate, and other instructions from Bond Counsel, delivered in connection with or subsequent to the issuance of such Series 2015 Bonds, including, but not limited to:

(a) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;

(b) depositing from moneys in the Revenue Fund or from other moneys of the Issuer derived from sources other than ad valorem taxation and legally available for such purpose the amount determined in subsection (a) above into the Rebate Fund;

(c) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the Issuer such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(d) keeping such records of the determinations made pursuant to this Section 5.05 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Series 2015 Bonds.

The provisions of the above-described arbitrage certificate and instructions of Bond Counsel may be amended from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

The Issuer agrees to retain or cause to be retained a rebate administrator who shall be a professional qualified to assure compliance by the Issuer with the requirements of this section. The rebate administrator so retained is hereby authorized to hire counsel, accountants, and other experts whom the rebate administrator may, in its sole discretion, determine to be advisable for the purpose of obtaining the required calculations of the rebate amounts and other matters necessary for compliance with Section 148(f) of the Code as the same relates to the Series 2015 Bonds. The rebate administrator will not be liable for any loss occasioned by its reliance upon the instructions of such experts or upon the Issuer's certification of the amounts earned on nonpurpose investments, as such term is defined in Section 148(b)(2) of the Code, in which gross proceeds of the Series 2015 Bonds shall be invested. The duties and responsibilities of the rebate administrator may be performed by more than one Person.

Section 3.06. Procedure When Funds Are Sufficient to Pay All Series 2015 Bonds. If at any time the moneys held by the Trustee in the Funds and Accounts hereunder and available therefor are sufficient to pay the principal or Redemption Price of, as the case may be, and interest on all Series 2015 Bonds then Outstanding under this Indenture to maturity or prior redemption, together with any amounts due the Trustee, Paying Agent and Registrar, the Trustee, at the direction of the Issuer, shall apply the amounts in the Funds and Accounts to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further Pledged Funds with respect to such Series 2015 Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

Section 3.07. Unclaimed Moneys. In the event any Series 2015 Bond shall not be presented for payment when the principal of such Series 2015 Bond becomes due, either at maturity or at the date fixed for redemption of such Series 2015 Bond or otherwise, if amounts sufficient to pay such Series 2015 Bond have been deposited with the Trustee for the benefit of the owner of the Series 2015 Bond and have remained unclaimed for three (3) years after the date payment thereof becomes due, the Trustee shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Trustee in default with respect to any covenant in the Indenture or the Series 2015 Bonds, be paid to the Issuer, and the Owners of the Series 2015 Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, may, at the expense of the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

[END OF ARTICLE V]

ARTICLE IV
SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

Section 4.01. Deposits and Security Therefor. All moneys received by the Trustee for deposit in any Fund or Account established under the Indenture shall be considered trust funds, shall not be subject to lien or attachment, except for the lien created by the Indenture.

Section 4.02. Investment or Deposit of Funds. The Trustee shall, as directed by the Issuer in writing, invest moneys held in the Debt Service Fund only in [Federal Securities]. The Trustee shall, as directed by the Issuer in writing, invest moneys held in the Debt Service Reserve Fund in Authorized Investments. The Trustee may conclusively presume that any investment direction made by the Issuer is for an Authorized Investment. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth herein. All securities securing investments under this Section shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, any interest and other income so received shall be deposited in the Revenue Fund. Upon request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, except as provided hereinafter. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account of the Revenue Fund.

Moneys in any of the Funds and Accounts established pursuant to the Indenture, when held by the Trustee, shall be immediately invested by the Trustee as set forth herein and, thereafter, shall be continuously invested and reinvested and deposited and redeposited by the Trustee subject to all written directions from the Issuer, as aforesaid. The Trustee shall not be liable or responsible for any loss or entitled to any gain resulting from any investment or sale upon the investment instructions of the Issuer or otherwise, including that set forth in the first sentence of this paragraph.

Section 4.03. Valuation of Funds. The Trustee shall value the assets in each of the Funds and Accounts established hereunder as of September 30 of each Fiscal Year, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such

valuation date) shall provide the Issuer a report of the status of each Fund and Account as of the valuation date. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the redemption price thereof, to the extent that any such obligation is then redeemable at the option of the holder.

[END OF ARTICLE IV]

ARTICLE V
REDEMPTION OF SERIES 2015 BONDS

Section 5.01. Redemption Dates and Prices. The Series 2015 Bonds may be made subject to optional and mandatory redemption, prior to maturity in the amounts, at the times and in the manner provided in this Article V.

[To Come]

Section 5.02. Notice of Redemption. When required to redeem Series 2015 Bonds under any provision of the Indenture or directed to do so by the Issuer, the Trustee shall cause notice of the redemption to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption date to all Owners of Series 2015 Bonds to be redeemed (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption of the Series 2015 Bonds for which notice was duly mailed in accordance with this Section 5.02. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Series 2015 Bonds Outstanding which shall be called for redemption and shall include, without limitation, the following additional information:

- (a) the redemption date;
- (b) the Redemption Price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) that on the redemption date the Redemption Price will become due and payable upon surrender of each such Series 2015 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- (e) the place where such Series 2015 Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be a corporate trust office of the Trustee.

If at the time of mailing of notice of an optional redemption, the Issuer shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem all the Series 2015 Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Series 2015 Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Series 2015 Bonds for which such funds are sufficient, selecting the Series 2015 Bonds to be redeemed by lot from among all such Series 2015 Bonds called for redemption on such date, and among different maturities of Series 2015 Bonds in the same manner as the initial selection of Series 2015 Bonds to be redeemed, and from and after such redemption date, interest on the Series 2015 Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Series 2015 Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Series 2015 Bonds not been called for redemption.

The notices required to be given by this Section 5.02 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Series 2015 Bonds.

Section 5.03. Payment of Redemption Price. If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all Series 2015 Bonds called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Series 2015 Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Series 2015 Bonds so called for redemption, for which moneys have been duly deposited with the Escrow Agent, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or Paying Agent to or upon the order of the Owners of the Series 2015 Bonds called for redemption upon surrender of such Series 2015 Bonds. The Redemption Price of the Series 2015 Bonds to be redeemed, the expenses of giving notice and any other expenses of redemption, shall be paid out of the Fund from which redemption is to be made or by the Issuer.

[END OF ARTICLE V]

**ARTICLE VI
COVENANTS OF THE ISSUER**

Section 6.01. Power to Issue Series 2015 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2015 Bonds, to adopt and execute the Indenture and to pledge the Pledged Funds for the benefit of the Series 2015 Bonds. The Pledged Funds are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2015 Bonds. The Series 2015 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Bondholders under the Indenture against all claims and demands of all other Persons whomsoever.

Section 6.02. Payment of Principal and Interest on Series 2015 Bonds. The payment of the principal or Redemption Price of and interest on all of the Series 2015 Bonds issued under the Indenture shall be secured forthwith equally and ratably by a first lien on and pledge of the Pledged Funds. Pledged Funds in an amount sufficient to pay the principal or Redemption Price of and interest on the Series 2015 Bonds authorized by the Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Series 2015 Bonds authorized under the Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Series 2015 Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the Pledged Funds.

THE SERIES 2015 BONDS AUTHORIZED UNDER THE INDENTURE AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED FUNDS AS SET FORTH IN THE INDENTURE. NOTHING IN THE SERIES 2015 BONDS AUTHORIZED UNDER THE INDENTURE OR IN THE INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE SERIES 2015 BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED FUNDS, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, BAY COUNTY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE COUNTY OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

Section 6.03. [Reserved].

Section 6.04. Public Liability and Property Damage Insurance; Maintenance of Insurance; Use of Insurance and Condemnation Proceeds.

(a) Except as otherwise provided in subsection (d) of this Section, the Issuer will carry or cause to be carried, in respect of the System, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth herein below.

(b) At all times, to the extent commercially available, the Issuer shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which will afford adequate protection against loss caused by damage to or destruction of any component of the System owned by the Issuer. Limits for such coverage will be subject to the Consulting Engineers' recommendations which are to be provided in an annual report, as required by Section 6.10 hereof, establishing value. The Issuer shall also, at all times, maintain a practical comprehensive general liability insurance program with respect to the System for such coverage, with such reasonable terms, conditions, provisions and costs as the Issuer determines will afford adequate protection against bodily injury and property damage.

All insurance policies of the Issuer relating to the System shall be carried with companies authorized to do business in the State, with a Best rating of no less than "A" as to management and Class "V" as to financial strength; provided, however, that if, in the opinion of the Issuer, adequate insurance protection under reasonable terms, conditions, provisions and cost cannot be purchased from an insurance company with the above-designated ratings, then the Issuer may secure such insurance protection as the Issuer determines to be in its best interests and otherwise consistent with the Indenture; provided further, however, that the Issuer may act as a self-insurer in accordance with the requirements of subsection (d) hereof. All policies providing the insurance coverages required by this Section shall designate the Issuer as the loss-payee and shall be made payable to the Issuer.

(c) All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of the Project or any part thereof are hereby pledged by the Issuer as security for the Series 2015 Bonds and shall be deposited at the option of the Issuer, but subject to the limitations hereinafter described, either (i) into a separate fund to be established by the Trustee for such purpose, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the Revenue Fund for the purpose of redeeming Series 2015 Bonds pursuant to Section 5.01 hereof. The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the separate fund described above in clause (i) of this paragraph unless there shall have been filed with the Issuer within a reasonable time after the damage, destruction or condemnation (A) a certificate from the Consulting Engineers that the proceeds of the insurance or condemnation awards deposited into such separate fund, together with other funds available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to

substantially the same condition as it was in prior to its damage, destruction or condemnation (taking into consideration any changes, alterations and modifications that the Issuer may desire), (B) an opinion from the Consulting Engineers that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and (C) an opinion of the Consulting Engineers that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will be in compliance with its obligations hereunder. If the certificate described in clause (A) of this paragraph is not rendered because such proceeds or awards are insufficient for such purposes, the Issuer may deposit any other legally available funds in such separate fund in an amount required to enable the Consulting Engineers to render their certificate. If the insurance proceeds or condemnation awards deposited in such separate fund are more than sufficient to repair the damaged property or to replace the destroyed or taken property, the balance thereof remaining shall be deposited to the credit of the Revenue Fund. The Holders of the Series 2015 Bonds shall have a superior claim on such proceeds.

(d) The Issuer shall be entitled to provide all or a portion of the insurance coverage required by subsections (a) and (b) of this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this subsection (d) are satisfied. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a company or association in which the Issuer has a material interest or of which the Issuer has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the Issuer shall deliver to the Trustee (i) a copy of the proposed plan, and (ii) an evaluation of the proposed plan together with an opinion of an insurance consultant selected by the Issuer, to the effect that (A) the proposed Qualified Self Insurance plan will provide the coverage required by subsections (a) and (b) of this Section and the next paragraph, and (B) the proposed Qualified Self Insurance plan provides for the creation of actuarially sound reserves.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of self insurance, and shall be reviewed annually by a registered actuary who shall deliver to the Issuer a report on the adequacy of the reserves established thereunder in light of claims made. If the registered actuary determines that such reserves are inadequate in light of the claims made, he shall make recommendations as to the amount of reserves that should be established and maintained, and the Issuer shall comply with such recommendations. A copy of each Qualified Self Insurance plan and of each annual report thereon shall be delivered to the Trustee and the Insurer.

(e) Copies of all recommendations and approvals made by the Consulting Engineers under the provisions of this Section shall be filed with the Trustee and the Insurer.

Within the first six (6) months of each Fiscal Year, the Issuer shall file with the Trustee and send a copy to the Insurer a complete report of the status of the insurance coverages

relating to the System, such report to include, without being limited thereto, a schedule of all insurance policies required by the Indenture which are then in effect, stating with respect to each policy the name of the insurer, the amount, number and expiration date, and the hazards and the risks covered thereby. The Trustee shall hold such report solely as a repository for the holders of the Series 2015 Bonds, and shall have no duty to examine same or to require the filing of such report or to determine compliance by the Issuer with the requirements of this section.

Section 6.05. Collection of Insurance Proceeds. Copies of all insurance policies referred to in Section 8.04 of this Article shall be available at the offices of the Issuer at all reasonable times to the inspection of the Holders of \$1,000,000 or more in aggregate principal amount of the Series 2015 Bonds and their agents and representatives duly authorized in writing. The Issuer covenants that it will take such action as may be necessary to demand, collect and sue for any insurance money which may become due and payable under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receive any insurance money which may become due and payable under any policies payable to it.

Any appraisal or adjustment of any loss or damage under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee, and any settlement or payment of indemnity under any such policy which may be agreed upon by the Issuer and any insurer shall be evidenced by a certificate, approved by the Consulting Engineers, and filed with the Trustee. The Trustee shall in no way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

Section 6.06. Use of Revenues for Authorized Purposes Only. None of the Pledged Funds shall be used for any purpose other than as provided in the Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of the Indenture.

Section 6.07. Books, Records and Annual Reports. The Issuer shall keep proper books of record and account in accordance with Generally Accepted Accounting Principles (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the System, and which, together with all other books and records of the Issuer, including, without limitation, insurance policies, relating to the System, shall at all times be subject during regular business hours to the inspection of the Trustee.

The Issuer shall annually, within 180 days after the close of each Fiscal Year, file with the Trustee, the Insurer, any rating agency that shall have then in effect a rating on any of the Series 2015 Bonds, any Bondholder that shall have, in writing, requested a copy thereof, and otherwise as provided by law, a copy of an annual report for such year, prepared in accordance with Generally Accepted Accounting Principles by an Accountant, relating to its operations and including, without limitation, statements in reasonable detail of financial condition as of the end of such Fiscal Year and income and expenses for such Fiscal Year relating to the System, and a summary, with respect to each Fund and Account established under the Indenture, of the

receipts therein and disbursements therefrom during such Fiscal Year, and the amounts held therein at the end of such Fiscal Year. The Trustee shall hold such report solely as a repository for the holders of the Series 2015 Bonds, and shall have no duty to examine same or to require the filing of such report or to determine compliance by the Issuer with the requirements of this section.

The Issuer shall file with the Trustee and send a copy to the Insurer annually within 180 days after the close of each Fiscal Year a certificate of a Authorized Issuer Officer setting forth (i) a description in reasonable detail of the insurance then in effect pursuant to the requirements of Section 6.04 hereof and that the Issuer has complied in all respects with such requirements, (ii) whether during such year any material part of the Project has been damaged or destroyed and, if so, the amount of insurance proceeds covering such loss or damage and specifying the Issuer's reasonable and necessary replacement costs, and (iii) whether or not to the knowledge of the signatory, the Issuer is in default with respect to any of the covenants, agreements or conditions on its part contained in the Indenture, and if so, the nature of such default.

The report, statements and other documents required to be furnished by the Issuer to the Trustee pursuant to any provisions of the Indenture shall be available for the inspection of Bondholders at the office of the Trustee.

Section 6.08. Employment of Accountant. The Issuer shall employ or cause to be employed as required an Accountant to perform accounting and auditing functions and duties required by the Act and the Indenture.

Section 6.09. Employment of Consulting Engineers. The Issuer shall, for the purpose of performing and carrying out the duties imposed on the Consulting Engineers by the Indenture, employ one or more Independent engineers or engineering firms or corporations having a statewide and favorable repute for skill and experience in such work.

Section 6.10. Audit Reports. The Issuer covenants that, no later than 180 days after the end of each Fiscal Year, it will cause an audit to be made by an Accountant covering all receipts and moneys then on deposit with or in the name of the Trustee or the Issuer and any security held therefor and any investments thereof. Copies of such audit reports shall be filed with the Trustee, City Clerk, and mailed by said City Clerk to the Consulting Engineers, the Insurer and to all Bondholders who shall have filed their names and addresses with him for such purpose. If the material required to be in such audit also appears in the annual report of the Issuer provided for in Section 6.07 hereof in a manner that can be readily identified, then the filing of a copy of such annual audit shall satisfy the requirement of this Section.

Section 6.11. Maintenance and Operation of Project and System; Expansion of System. (a) The Issuer covenants to maintain and operate the Project and the System in accordance with the applicable laws and rules established by the U.S. Environmental Protection Agency ("EPA") which has given primacy for enforcement and regulation to the State of Florida Department of Environmental Protection ("FDEP") (sometimes commonly referred to as the "10

states standard). Such maintenance shall be paid from any legally available revenues of the Issuer, other than Pledged Funds.

(b) The Issuer further covenants to timely maintain, or contract to maintain, sufficient capacity of the System, necessary to timely serve new growth and development thereby facilitating the required connection to the Project, including, but not limited to, undertaking or contracting for the reasonable and necessary planning, permitting and expansion of the System, or necessary wastewater and water capacity for the System, required by Chapter 62-550, Florida Administrative Code ("FAC") Drinking Water Standards, Monitoring and Reporting and Chapter 62-555 FAC Permitting and Construction of Public Water Systems for water systems and Chapter 62-600 Domestic Wastewater Facilities, Chapter 62-601 FAC Domestic Wastewater Treatment Plant Monitoring, Chapter 62-604 FAC Collection Systems and Transmission Facilities, Chapter 62-620 FAC Wastewater Facility Permitting, and Chapter 62-699 FAC, Treatment Plant Classification and Staffing for wastewater systems, or their successors in function, and the timely exercise by the Issuer of all rights, obligations and responsibilities under the Military Point Advanced Wastewater Facility Interlocal Agreement, as amended, or do all things necessary to cause expansion of the System in order to comply with the covenants of this Section.

Section 6.12. Covenant Against Sale or Encumbrance; Exceptions. The Issuer covenants that it will not sell, lease or otherwise dispose of or encumber the System, or any part thereof. The Issuer may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of the Series 2015 Bonds or from Pledged Funds if the Issuer shall determine, with the approval of the Consulting Engineers, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the System, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer, shall be deposited to the credit of the Revenue Fund.

The Issuer may lease or grant easements, franchises or concessions for the use of any part of the System not incompatible with the maintenance and operation thereof, if the Consulting Engineers shall approve such lease, easement, franchise or concession in writing, and the net proceeds of any such lease, easement, franchise or concession (after the making of provision for payment from said proceeds of all costs incurred in financing, constructing, operating, maintaining or repairing such leases, easements, franchises or concessions) shall be deposited as received to the credit of the Revenue Fund.

Section 6.13. Fidelity Bonds. Every officer, agent or employee of the Issuer having custody or control of any of the Pledged Funds shall be bonded by a responsible corporate surety in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time. The premiums on such surety bonds shall be paid by the Issuer as an expense of operation and maintenance of the System.

Section 6.14. No Loss of Lien on Pledged Funds. The Issuer shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the lien of the Series 2015 Bonds on the Pledged Funds or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement.

Section 6.15. Issuance of Additional Parity Obligations. The Issuer will not issue any other obligations, payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance of other charge having priority to or being on parity with the lien thereon in favor of the Series 2015 Bonds and the interest thereon. The Issuer may issue subordinate debt payable from Pledged Funds.

Section 6.16. Extension of Time for Payment of Interest Prohibited. The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Series 2015 Bonds and shall not directly or indirectly be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Series 2015 Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under the Indenture except after the prior payment in full of the principal of all Series 2015 Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

Section 6.17. Further Assurances. The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture.

Section 6.18. Investments to Comply with Internal Revenue Code. The Issuer covenants with the Holders of the Series 2015 Bonds that it will not make or direct the making of any investment or other use of the proceeds of any Series 2015 Bonds issued hereunder which would cause such Series 2015 Bonds to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code and or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code section and related regulations throughout the term of such Series 2015 Bonds. The Issuer hereby further covenants and agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement executed in connection with the issuance of the Series 2015 Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2015 Bonds.

Section 6.19. Corporate Existence and Maintenance of Properties. For so long as any Series 2015 Bonds are Outstanding hereunder, unless otherwise provided by the Act, the Issuer

shall maintain its corporate existence as a municipal government under the Act and shall provide for or otherwise require the System, and all parts thereof owned by the Issuer to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

Section 6.20. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Issuer to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee, at the request of any participating underwriter or the Holders of at least 25% aggregate principal amount in Outstanding Series 2015 Bonds and receipt of indemnity to its satisfaction, shall or any Holder of the Series 2015 Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section 6.20. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2015 Bonds (including persons holding Series 2015 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2015 Bonds for federal income tax purposes.

[END OF ARTICLE VI]

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default and Remedies. Events of default and remedies with respect to the Series 2015 Bonds shall be as set forth in this Indenture.

Section 7.02. Events of Default Defined. Each of the following shall be an “Event of Default” under the Indenture:

(a) If the Issuer fails to pay interest on or principal of the Series 2015 Bonds when due; or

(b) if the Issuer, for any reason, is rendered incapable of fulfilling its obligations under the Indenture or under the Act; or

(c) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(d) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Series 2015 Bond issued pursuant to the Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than a majority in aggregate principal amount of the Outstanding Series 2015 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as, the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

Section 7.03. No Acceleration. No Series 2015 Bonds issued under this Indenture shall be subject to acceleration.

Section 7.04. Legal Proceedings by Trustee. If any Event of Default has occurred and is continuing, the Trustee, upon the written request of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Series 2015 Bonds and receipt of indemnity to its satisfaction shall in its own name:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Series 2015 Bonds, including, without limitation, the right to require the Issuer to carry out any agreements with, or for the benefit of, the Bondholders of the Series 2015 Bonds and to perform its or their duties under the Act;

(b) bring suit upon the Series 2015 Bonds;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Series 2015 Bonds;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Series 2015 Bonds ; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series 2015 Bonds.

Section 7.05. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

Section 7.06. Bondholders May Direct Proceedings. The Holders of a majority in aggregate principal amount of the Outstanding Series 2015 Bonds then subject to remedial proceedings under this Article VII shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture.

Section 7.07. Limitations on Actions by Bondholders. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Holders of at least a majority of the aggregate principal amount of the Outstanding Series 2015 Bonds shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, and (d) the Trustee shall have failed to comply with such request within a reasonable time.

Section 7.08. Trustee May Enforce Rights Without Possession of Series 2015 Bonds. All rights under the Indenture and the Series 2015 Bonds may be enforced by the Trustee without the possession of any of the Series 2015 Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the Series 2015 Bonds.

Notwithstanding any other provision of this Indenture, in determining whether the rights of Bondholders will be adversely affected by an action taken pursuant to the terms and provisions of the Indenture, the Trustee shall consider the effect on the Bondholders as if there were no Policy.

Section 7.09. Remedies Not Exclusive. Except as limited under Section 12.01 of this Indenture, no remedy contained in the Indenture is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 7.10. Delays and Omissions Not to Impair Rights. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default, and every remedy given by this Article VII may be exercised from time to time and as often as may be deemed expedient.

Section 7.11. Application of Moneys in Event of Default. Any moneys received by the Trustee or the Paying Agent, as the case may be, in connection with any proceedings brought under this Article VII with respect to the Series 2015 Bonds shall be applied:

(a) to the payment of the costs of the Trustee and Paying Agent incurred in connection with actions taken under this Article VII with respect to the Series 2015 Bonds, including counsel fees and any disbursements of the Trustee and the Paying Agent and payment of unpaid fees owed to the Trustee.

(b) unless the principal of all the Series 2015 Bonds shall have become or shall have been declared due and payable:

FIRST, to payment of all installments of interest then due on the Series 2015 Bonds in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any preference or priority of one installment of interest over any other installment; and

SECOND, to payment to the persons entitled thereto of the unpaid principal or Redemption Price of any of the Series 2015 Bonds which shall have become due in the order of their due dates, with interest on such Series 2015 Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price coming due on such Series 2015 Bonds on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any preference or priority of one such Series 2015 Bond over another or of any installment of interest over another.

(c) If the principal of all Series 2015 Bonds shall have become or shall have been declared due and payable, to the payment of principal or Redemption Price (as the case may be) and interest then owing on the Series 2015 Bonds and in case such moneys shall be insufficient

to pay the same in full, then to the payment of principal or Redemption Price and interest ratably, without preference or priority of one Series 2015 Bond over another or of any installment of interest over any other installment of interest.

Any surplus remaining after the payments described above shall be paid to the Issuer or to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 7.12. Trustee's Right to Receiver; Compliance with Act. The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State.

Section 7.13. Trustee and Bondholders Entitled to all Remedies under Act. It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be lawfully granted under the provisions of the Act and other applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article VII shall apply to and be binding upon any receiver appointed in accordance with Section 7.12 hereof.

Section 7.14. Insurer to be Deemed Bondholder. Notwithstanding any provisions of this Indenture to the contrary, unless the Insurer is in default under the Policy, the Insurer shall at all times be deemed the exclusive Owner of all Series 2015 Bonds for all purposes except for the purpose of payment of the principal of and premium, if any, and interest on the Series 2015 Bonds prior to the payment by the Insurer of the principal of and interest on the Series 2015 Bonds. The Insurer shall have the exclusive right to direct any action or remedy to be undertaken by the Trustee, by the Owners or by any other party pursuant to this Indenture, and no event of default shall be waived, without the Insurer's consent.

Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, the Insurer, unless the Insurer is in default under the Policy, shall at all times be deemed the exclusive owner of all Series 2015 Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders for the benefit of the Bondholders under this Indenture.

[END OF ARTICLE VII]

ARTICLE VIII
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

Section 8.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article VIII, to all of which the parties hereto and the Bondholders agree. The Trustee shall act as Trustee for the Series 2015 Bonds. Subject to the provisions of Section 8.03 hereof, the Trustee shall have only such duties as are expressly set forth herein, and no duties shall be implied on the part of the Trustee. The Trustee further agrees to comply with the written directions of the Issuer relating to arbitrage rebate.

Section 8.02. No Responsibility for Recitals. The recitals, statements and representations in this Indenture or in the Series 2015 Bonds, save only the Trustee's Certificate, if any, upon the Series 2015 Bonds, have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

Section 8.03. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder; the Trustee shall not be answerable for the default or misconduct of any attorney or agent selected and supervised by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under the Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct or breach of its obligations hereunder.

Section 8.04. Compensation and Indemnity. The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall indemnify and hold the Trustee harmless against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct, negligence or breach of its obligations hereunder. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys coming into its hands and payable to the Issuer but exclusive of the Rebate Fund, which right of payment shall be prior to the right of the holders of the Series 2015 Bonds. This provision shall survive the termination of the Indenture and, as to any Trustee, its removal or resignation as Trustee.

Section 8.05. No Duty to Renew Insurance. The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the Issuer to require or effect or renew insurance or to report or file claims of loss thereunder.

Section 8.06. Notice of Default; Right to Investigate. The Trustee shall give written notice by first-class mail to registered Holders of Series 2015 Bonds of all defaults known to the Trustee, unless such defaults have been remedied (the term "defaults" for purposes of this Section and Section 8.07 being defined to include the events specified as "Events of Default" in

Article VII hereof, but not including any notice or periods of grace provided for therein); provided that, except in the case of a default in payment of principal or interest or Redemption Price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment default under the Indenture, unless notified in writing of such default by the Holders of at least a majority of the aggregate principal amount of the Outstanding Series 2015 Bonds. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Issuer, an investigation into the affairs of the Issuer.

Section 8.07. Obligation to Act on Defaults. The Trustee shall be under no obligation to take any action in respect of any default or otherwise, unless it is requested in writing to do so by the Holders of at least a majority of the aggregate principal amount of the Outstanding Series 2015 Bonds which are or would be, upon the taking of such action, subject to remedial proceedings under Article VIII of this Indenture if in its opinion such action may tend to involve expense or liability, and unless it is also furnished with indemnity satisfactory to it.

Section 8.08. Reliance by Trustee. The Trustee may act on any requisition, resolution, notice, telegram, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be an Authorized Issuer Officer) or to have been prepared and furnished pursuant to any of the provisions of the Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

Section 8.09. Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of the Indenture, and except as otherwise provided in Article X of this Indenture, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

Section 8.10. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the City Clerk of the Issuer not less than sixty (60) days before the date when such resignation is to take effect; provided, however, that (i) if any Outstanding Series 2015 Bonds are not registered Series 2015 Bonds, notice of such resignation is published at least once a week for two (2) consecutive calendar weeks in The Bond Buyer, or its successor, if any, the first publication to appear not less than three (3) weeks prior to the date when the resignation is to take effect; and that (ii) if any Outstanding Series 2015 Bonds are registered Series 2015 Bonds, notice of such resignation shall be sent by first-class mail to each Bondholder as its name and address appears on the Bond Register and to any Paying Agent, Registrar and Authenticating Agent, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in

the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within ninety (90) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed. Prior written notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Series 2015 Bonds and the Insurer.

Section 8.11. Removal of Trustee. The Trustee may be removed at any time by either (a) the Issuer, if no default exists under the Indenture, (b) the Insurer, if no default exists under the policy or (c) an instrument or concurrent instruments in writing, executed by the Owners of at least a majority of the aggregate principal amount of the Series 2015 Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by a Authorized Issuer Officer, shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Registrar and Authenticating Agent.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Holders of not less than a majority of the aggregate principal amount of the Series 2015 Bonds then Outstanding.

Prior written notice of such removal shall be given to the Insurer.

Section 8.12. Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor, acceptable to the Insurer, and (i) if any Outstanding Series 2015 Bonds are not registered bonds, shall publish notice of such appointment in an Authorized Newspaper and in The Bond Buyer, or its successor, if any, and (ii) if any Outstanding Series 2015 Bonds are registered Series 2015 Bonds, shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Authenticating Agent, and any rating agency that shall then have in effect a rating on any of the Series 2015 Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Holders of a majority in aggregate principal amount of all Series 2015 Bonds then Outstanding may appoint a successor Trustee.

Section 8.13. Qualification of Successor. A successor Trustee shall be a national bank with trust powers or a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000 and be acceptable to the Insurer.

Section 8.14. Instruments of Succession. Any successor Trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights under Section 8.04 hereof.

Section 8.15. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party or any corporation acquiring substantially all of the corporate trust business of the Trustee, shall be the successor Trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as Trustee hereunder shall meet the requirements of Section 8.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article VIII.

Section 8.16. Extension of Rights and Duties of Trustee to Paying Agent and Registrar. The provisions of Sections 8.02, 8.03, 8.04, 8.08 and 8.09 hereof are hereby made applicable to the Paying Agent and the Registrar, as appropriate, and any Person serving as Paying Agent and/or Registrar, hereby enters into and agrees to comply with the covenants and agreements of the Indenture applicable to the Paying Agent and Registrar, respectively.

Section 8.17. Resignation of Paying Agent or Registrar. The Paying Agent or Registrar may resign and be discharged of the duties created by the Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer, the Trustee, and any rating agency that shall then have in effect a rating on any of the Series 2015 Bonds, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Registrar. If the successor Paying Agent or Registrar shall not have

been appointed within a period of ninety (90) days following the giving of notice, then the Paying Agent or Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent or Registrar as provided in Section 8.21 hereof.

Section 8.18. Removal of Paying Agent or Registrar. The Paying Agent or Registrar may be removed at any time prior to any Event of Default by the Issuer by filing with the Paying Agent or Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by the Issuer appointing a successor, or an instrument or instruments in writing designating, and accompanied by an instrument or appointment by the Issuer of, such successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

Section 8.19. Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Registrar, as the case may be, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, any rating agency that shall then have in effect a rating on any of the Series 2015 Bonds, and all Bondholders. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

Section 8.20. Qualifications of Successor Paying Agent or Registrar. Every successor Paying Agent or Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by the Indenture and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$50,000,000.

Section 8.21. Judicial Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the Successor Registrar or Paying Agent to the Issuer, the Trustee, any rating agency that shall then have in

effect a rating on any of the Series 2015 Bonds, and all Bondholders. In the absence of such an appointment, the Trustee shall become the Registrar or Paying Agent, or and shall so notify the Issuer, any rating agency that shall have issued a rating on the Series 2015 Bonds, and all Bondholders.

Section 8.22. Acceptance of Duties by Successor Paying Agent or Registrar. Any successor Paying Agent or Registrar shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Registrar herein. Upon request of such Paying Agent or Registrar, such predecessor Paying Agent or Registrar and the Issuer shall execute and deliver an instrument transferring to such successor Paying Agent or Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Registrar and such predecessor Paying Agent or Registrar shall pay over and deliver to the successor Paying Agent or Registrar all moneys and other assets at the time held by it hereunder.

Section 8.23. Successor by Merger or Consolidation. Any corporation into which any Paying Agent or Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent or Registrar hereunder or any corporation acquiring substantially all of the corporate trust business of the Trustee, shall be a party, or any corporation which shall have acquired substantially all of the Paying Agent's or Registrar's corporate trust business, shall be the successor Paying Agent or Registrar under the Indenture without the execution or filing of any paper or any further act on the part of the parties thereto, anything in the Indenture to the contrary notwithstanding.

[END OF ARTICLE VIII]

ARTICLE IX
ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF SERIES 2015 BONDS

Section 9.01. Acts of Bondholders; Evidence of Ownership of Series 2015 Bonds. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instrument may be provided by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the Owner of any Series 2015 Bond shall bind all future Owners of the same Series 2015 Bond in respect of anything done or suffered by the Issuer, Trustee, Paying Agent or Registrar in pursuance thereof.

[END OF ARTICLE IX]

**ARTICLE X
AMENDMENTS AND SUPPLEMENTS**

Section 10.01. Amendments and Supplements Without Bondholders' Consent. This Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a supplemental indenture authorized by an ordinance of the Issuer filed with the Trustee, for one or more of the following purposes:

(a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(b) for any purpose not inconsistent with the terms of the Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of the Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;

(c) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Project to the State, the County, or any department, agency or branch thereof, or any other unit of government of the State, the County; provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders; and

(d) to make such changes as may be necessary, so long as, in the opinion of counsel to the Issuer, such changes do not have an adverse effect on the Holders of the Series 2015 Bonds.

Section 10.02. Amendments with Bondholders' Consent. Subject to the provisions of Sections 7.14 and 10.03 hereof, this Indenture may be amended from time to time by a supplemental indenture approved by the Owners of at least a majority in aggregate principal amount of the Series 2015 Bonds then Outstanding; provided that with respect to (a) the interest payable upon any Series 2015 Bonds, (b) the dates of maturity or redemption provisions of any Series 2015 Bonds, (c) this Article X and (d) the security provisions hereunder, which may only be amended by approval of the Owners of all Series 2015 Bonds to be so amended.

Notwithstanding the foregoing or any other provisions to the contrary, for as long as the Policy remains in full force and effect, consent and approval by the Insurer shall constitute the required consent and approval of the Owners of the Series 2015 Bonds, provided, however, that in no event shall the Insurer's consent to the actions listed in subsections (a) through (d) of this Section 12002 above constitute consent of the Owners.

Section 10.03. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join in the execution and delivery of any supplemental indenture or amendment permitted by this Article X and in so doing may rely on

a written opinion of Counsel that such supplemental indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done.

Section 10.04. Notice to Rating Agencies. The Trustee shall give notice to the Insurer and any rating agency then rating the Series 2015 Bonds of any amendments or supplemental indentures pursuant to this Article X.

[END OF ARTICLE X]

ARTICLE XI DEFEASANCE

Section 11.01. Defeasance. When interest on, and principal or Redemption Price (as the case may be) of, the Series 2015 Bonds or any portion thereof to be defeased have been paid, or there shall have been deposited with the Trustee, acting as escrow agent, or such other escrow agent (the "Escrow Agent") moneys sufficient, or Federal Securities, the principal of and interest on which, when due, together with any moneys, remaining uninvested, will provide sufficient moneys to fully pay (i) such Series 2015 Bonds or portion thereof to be defeased, and (ii) any other sums payable hereunder by the Issuer, the right, title and interest of the Trustee with respect to such Series 2015 Bonds or portion thereof to be defeased shall thereupon cease, the lien of the Indenture on the Pledged Funds, and the Funds and Accounts established under the Indenture shall be defeased and discharged, and the Trustee, on demand of the Issuer, shall release the Indenture as to such Series 2015 Bonds or portion thereof to be so defeased and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such Person, body or authority as may be entitled to receive the same all balances remaining in any Funds and Accounts upon the defeasance in whole of all of the Series 2015 Bonds.

In the event that the principal and/or interest due on the Series 2015 Bonds shall be paid by the Insurer pursuant to the Policy, the Series 2015 Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Series 2015 Bonds.

Section 11.02. Deposit of Funds for Payment of Series 2015 Bonds. If the Issuer deposits with the Escrow Agent moneys sufficient, or Federal Securities, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to pay the principal or Redemption Price of any Series 2015 Bonds becoming due, either at maturity or by redemption or otherwise, together with all interest accruing thereon to the date of maturity or such prior redemption, and reimburses or causes to be reimbursed or pays or causes to be paid the other amounts required to be reimbursed or paid under Section 11.01 hereof, interest on such Series 2015 Bonds shall cease to accrue on such date of maturity or prior redemption and all liability of the Issuer with respect to such Series 2015 Bonds shall likewise cease, except as hereinafter provided; provided, however, that (a) if any Series 2015 Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 5.02 hereof, or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice, and (b) in the event that any Series 2015 Bonds are not by their terms subject to

redemption within the next succeeding sixty (60) days following a deposit of moneys with the Escrow Agent, in accordance with this Section, the Issuer shall have given the Escrow Agent, in form satisfactory to the Escrow Agent, irrevocable instructions to mail to the Owners of such Series 2015 Bonds at their addresses as they appear on the Bond Register, a notice stating that a deposit in accordance with this Section has been made with the Escrow Agent and that the Series 2015 Bonds to which such notice relates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price (as the case may be) of, and interest on, said Series 2015 Bonds. Thereafter such Series 2015 Bonds shall be deemed not to be Outstanding hereunder and the Owners of such Series 2015 Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Series 2015 Bonds, and the Escrow Agent shall hold such funds in trust for such Owners.

Money so deposited with the Escrow Agent which remains unclaimed three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Escrow Agent in default with respect to any covenant in the Indenture or the Series 2015 Bonds contained, be paid to the Issuer, and the Owners of the Series 2015 Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, may, at the expense of the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

[END OF ARTICLE XI]

ARTICLE XII
MISCELLANEOUS PROVISIONS

Section 12.01. Limitations on Recourse. No personal recourse shall be had for any claim based on the Indenture or the Series 2015 Bonds against any member of the Governing Body of the Issuer, officer, employee or agent, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Series 2015 Bonds are payable solely from the Pledged Funds. There shall be no other recourse under the Series 2015 Bonds, the Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

Section 12.02. Payment Dates. In any case where an Interest Payment Date or the maturity date of the Series 2015 Bonds or the date fixed for the redemption of any Series 2015 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

Section 12.03. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2015 Bonds.

Section 12.04. Illegal Provisions Disregarded. If any term of the Indenture or the Series 2015 Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

Section 12.05. Substitute Notice. If for any reason it shall be impossible to make duplication of any notice required hereby in a newspaper or newspapers, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

Section 12.06. Notices. Any notice, demand, direction, request or other instrument authorized or required by the Indenture to be given to or filed with the Issuer, the Trustee or Bondholders shall be deemed to have been sufficiently given or filed for all purposes of the Indenture if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed as follows:

As to the Issuer – City of Callaway, Florida
6601 East Highway 22
Callaway, Florida 32404
Telephone: (850) 871-6000
Fax: (850) 871-2444
Attention: City Manager

As to the Trustee - Regions Bank

Orlando, Florida
Attention:
Telephone:
Fax:

As to the Insurer -

As to the Bondholders - The address which is on file with the Registrar

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under the Indenture are to be sent.

Any notices required to be sent to the Issuer or Trustee shall also be sent to the Bondholders.

All documents received by the Trustee under the provisions of the Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Bondholder and the agents and representatives thereof as evidence in writing.

Section 12.07. Controlling Law. The Indenture shall be governed by and construed in accordance with the laws of the State.

Section 12.08. Successors and Assigns. All the covenants, promises and agreements in the Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 12.09. Headings for Convenience Only. The table of contents and descriptive headings in this Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 12.10. Counterparts. This Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 12.11. Appendices and Exhibits. Any and all appendices or exhibits referred to in and attached to this Indenture are hereby incorporated herein and made a part hereof for all purposes.

[END OF ARTICLE XII]

IN WITNESS WHEREOF, the City of Callaway, Florida has caused this Trust Indenture to be executed by the Mayor and its corporate seal to be hereunto affixed, attested by the City Clerk and The Bank of New York Trust Company, N.A. has caused this Trust Indenture to be executed by one of its corporate officers, all as of the day and year first above written.

CITY OF CALLAWAY, FLORIDA

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

REGIONS BANK, as Trustee, Paying
Agent and Registrar

By: _____
Name:
Title:

EXHIBIT A

FORM OF SERIES 2015 BOND

R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF BAY
CITY OF CALLAWAY
CAPITAL IMPROVEMENT REVENUE REFUNDING BOND
SERIES []
(SPECIAL CAPITAL EXTENSION PROJECT)

Interest Rate

Maturity Date

Date of Original Issuance

CUSIP

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Callaway, Florida (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof at the corporate trust office of Regions Bank, as paying agent (said Regions Bank. and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above with interest thereon at the Interest Rate per annum set forth above, computed on a 360-day year of 30-day months, payable on the Maturity Date. Principal of this Bond is payable at the corporate trust office of Regions Bank located in _____, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each Interest Payment Date to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by Regions Bank, as Registrar (said Regions Bank and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of

authentication hereof is a _____ 1 or _____ 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to [_____ 1, ____], in which case from [_____ 1, ____], or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below).

This Bond is one of an authorized issue of City of Callaway, Florida Capital Improvement Revenue Refunding Bonds (Special Capital Extension Project), Series ____ (the "Bonds"), in the aggregate principal amount of _____ Dollars (\$_____) of like date, tenor and effect, except as to number. The Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to refund the Refunded Bonds. The Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Trust Indenture dated as of _____, 2015 (the "Indenture"), by and between the Issuer and the Trustee, executed counterparts of which are on file at the corporate trust office of the Trustee in _____, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds issued under the Indenture, the operation and application of the Debt Service Fund and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of, premium, if any, and the interest on the Bonds, the nature and extent of the security for the Bonds, the terms and conditions on which the Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the registered owners of a majority in aggregate principal amount of the Bonds outstanding, and as to other rights and remedies of the registered owners of the Bonds.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the registered owner of this Bond that such registered owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, Bay County, Florida, the State of Florida or any political subdivision thereof, or

taxation in any form of any real or personal property of the Issuer, Bay County, Florida, the State of Florida or any political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Pledged Funds as set forth in the Indenture.

By the acceptance of this Bond, the registered owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Pledged Funds, as such term is defined in the Indenture, all in the manner provided in the Indenture.

The Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Bonds shall be made on the dates specified below.

Optional Redemption

The Bonds are subject to optional redemption prior to maturity on or after _____ 1, ____ by the Issuer in whole, on any interest payment date, at an optional redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, when sufficient moneys are on deposit in the related Funds and Accounts (other than the Rebate Fund) to pay and redeem Outstanding Bonds and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture.

Notice of Redemption

The Trustee shall cause notice of redemption to be mailed at least thirty but not more than sixty days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. On the redemption date, the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. If the amount of funds so deposited with the Trustee, or otherwise available, is insufficient to pay the redemption price and interest on all Bonds so called for redemption on such date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and interest on any Bonds not paid shall continue to accrue, as provided in the Indenture.

The Issuer shall keep books for the registration of the Bonds at the corporate trust office of the Registrar in Jacksonville, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Indenture shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Indenture, of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City of Callaway, Florida has caused this Bond to be signed by the manual or facsimile signature of the Mayor and a manual or facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the City Clerk, all as of the date hereof.

CITY OF CALLAWAY, FLORIDA

By: _____
Mayor

(SEAL)

Attest:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

Regions Bank, as Trustee

By: _____
Authorized Officer

[VALIDATION CERTIFICATE]

This Bond is one of a series of bonds which were validated by judgment of the Circuit Court for Bay County, Florida, rendered on November 17, 2005.

Mayor

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and not as
tenants in common

UNIFORM GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Gifts to Minors

Act _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: RESOLUTION NO. 15-27 – WIRELESS COMMUNICATION USAGE ALLOWANCE

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"/>
OLD BUSINESS	<input type="checkbox"/>
REGULAR	<input checked="" type="checkbox"/>

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

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

Commission, during discussions of the FY2015/16 budget, requested staff submit a policy for cell-phone allowance for employees who use their cell phones for City of Callaway business. The attached policy sets a \$25 allowance for all employees with the exception of the City Manager and certain on-call Utility employees, who are allowed \$50.

The City Commission has home-rule authority (Art. VII (2) FL Constitution and §166.011 F.S.) to consider matters of fiscal benefit.

ATTACHMENTS:

- RESOLUTION NO. 15-27

5. REQUESTED MOTION/ACTION:

Staff recommends adoption Resolution No. 15-27 upon roll-call vote.

RESOLUTION NO. 15-27

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CALLAWAY, FLORIDA ADOPTING PROCEDURES AND POLICIES FOR WIRELESS COMMUNICATION USAGE AND ALLOWANCE; REPEALING ALL RESOLUTIONS IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Callaway, on August 14, 2012, adopted Resolution No. 12-23 allowing for procedures and policy for wireless communication usage and allowance, and;

WHEREAS, The City Commission of the City of Callaway, per direction given during the FY2015/16 Budget process, hereby adopts an amended Wireless Communication Usage and Allowance Policy, repealing Resolution No. 12-23 and any other Resolution in conflict herewith.

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

SECTION 1. The City Commission of the City of Callaway adopts the amended Policy for Wireless Communication Usage and Allowance and the Cell Phone Policy Form attached hereto, together as Exhibit "A".

SECTION 2. REPEAL. All resolutions or parts of resolutions in conflict herewith are repealed to the extent of such conflict.

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this resolution, including Exhibit A, is for any reason held invalid or unconstitutional by the decision of any court or regulatory body of competent jurisdiction, such decision shall not affect the validity of the remaining portions hereof.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 27th day of October, 2015, in regular session, by the Callaway City Commission.

CITY OF CALLAWAY, FLORIDA

By: _____
Thomas W. Abbott, Mayor

ATTEST: _____
Janice L. Peters, MMC, City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE CITY OF CALLAWAY ONLY:

Kevin Obos, City Attorney

VOTE OF COMMISSION:
Abbott _____
Covey _____
Henderson _____
Hollister _____
Pelletier _____

Exhibit "A"
CITY OF CALLAWAY
PROCEDURE FOR WIRELESS COMMUNICATION
USAGE AND ALLOWANCE

I. Purpose

To establish guidelines related to the use of wireless communication devices and reimbursement for business use of personally owned wireless communication devices or services paid with personal funds. The City will compensate employees for business use of a personal wireless device while meeting IRS regulations.

In general, the City will no longer provide wireless communication devices to its employees. Employees whose job duties include the frequent need for a wireless communications device may be reimbursed for the initial cost of such a device, and may receive extra compensation, in the form of a wireless communications device allowance, to cover business-related use of a device and/or service plan. No further reimbursement for wireless communications device costs is available to employees who receive such an allowance. All other employees may submit records of their expenses for reimbursement of infrequent, business-related use of their personal wireless communications devices.

The City may, in some cases, purchase and own wireless communications devices to be assigned to departments or offices and which may be loaned temporarily to individual employees or be shared by groups of employees for specific business purposes. There may be no personal use of a wireless device on loan from the City.

II. Business Use of Wireless Communications Devices

If a City employee's job duties include the frequent need for remote access during and after business hours, then the employee is eligible for an allowance to cover wireless communications device expenses. An allowance may be requested using the Wireless Communications Allowance Form. The request may be made any time during the fiscal year provided budgeted funds are available and approval is obtained from the City Manager.

Once an allowance has been approved and established as part of an employee's payroll, it will continue until a new allowance form is submitted, documenting a change. The employee needs to notify his/ her supervisor if there is a need for a mobile communications device change.

This allowance does not constitute an increase to base pay, and will not be included in the calculation of percentage increases to base pay due to annual raises, retirement contributions, job upgrades, etc. By U.S. Internal Revenue Service directive, allowances for mobile communications devices are treated as taxable income even if the device is required for the employee's job. However, under certain circumstances, the IRS regulations permit deduction of business calls in their individual tax returns.

The employee must maintain an operational personal wireless communications device under an active contract with a wireless communications provider as long as he or she continues to receive the monthly wireless communications allowance under this procedure. Because the wireless communications device is owned by the employee and the allowance provided is taxable income, the employee may use the device for both business and personal purposes, as needed. The employee may, at his or her own expense, add extra services, features, or equipment (e.g., a Bluetooth earpiece, voice-activated headset) as desired.

Use of the device in any manner contrary to local, state, or federal laws will constitute misuse, and will result in immediate termination of the wireless communications device allowance. Records of wireless communications made or received and billing statements for such wireless communications submitted to the City under this procedure or submitted to the City for other official purposes are subject to Florida's Public Records Act, Chapter 119, Florida Statutes.

III. Determination of Dollar Amount of Allowance

The monthly wireless communication allowance is paid as a taxable item through payroll. The wireless communication allowance is designed to compensate for the business portion of the employee's monthly charges, but not necessarily pay for 100% of their activity. A \$25 cell phone allowance is provided to offset the costs of cell phone service for voice, text, and data usage for authorized employees, with the exception of the City Manager and certain on-call Utility employees, who will receive a \$50 cell phone allowance.

IV. Fees for Contract Changes or Cancellations

If for any reason, unrelated to City business needs, the wireless communications service contract is modified or terminated, prior to the end of the contract period, the employee will bear the cost of any fees associated with that change or cancellation. For example, the employee quits and no longer wants to retain the current wireless communications service plan for personal purposes.

If, prior to the end of the wireless communications service contract period, a City decision makes it necessary or desirable for the employee to terminate or change the wireless communications service contract, the City will bear the cost of any fees associated with that change or cancellation. For example, the employee's supervisor has changed the employee's duties and the wireless communications device is no longer needed for City purposes. If the employee does not want to retain the current contract for personal use, any change or cancellation fees will be reimbursed by the City.

V. Infrequent Use of Mobile Communications Devices for Business Purposes

If a City employee's job duties do not include the frequent need for a wireless communications device, then the employee is not eligible for an allowance to cover wireless communications device expenses. However, such employees may request reimbursement for the actual expense of business calls made using their own wireless communications devices with appropriate documentation as to the business purpose for each call. The individual should make personal payment to the provider, and then should submit the appropriate form requesting reimbursement from the City. The form should list the individual as the payee. A copy of the cell phone service invoice with call detail should be attached to the form, with the separate business-use charges clearly marked.

VI. Exceptions to the Allowance Method

While the City generally will not pay monthly service plan fees directly, there are some exceptions to this rule. The City will own and retain a certain number of wireless communications devices for short term use, emergency use, or disaster response/ recovery purposes.

In all cases when the City provides wireless communications devices and/or service plans for use by employees, the use of those devices is strictly limited to official City business. No personal use is permitted on City owned wireless communications devices.

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: RESOLUTION No. 15-28 – COLLECTION OF DELINQUENT ACCOUNTS

1. PLACED ON AGENDA BY:
J. Michael Fuller, City Manager

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)

Per direction of Commission, staff has compiled a policy for collection of delinquent accounts for review and approval or direction to staff.

The City Commission has home-rule authority (Art. VII (2) FL Constitution and §166.011 F.S.) to consider matters of fiscal benefit.

ATTACHMENTS:

- RESOLUTION No. 15-28

5. REQUESTED MOTION/ACTION:

Staff recommends adoption of Resolution No. 15-24 upon roll-call vote.

RESOLUTION 15-28

A RESOLUTION OF THE CITY OF CALLAWAY, FLORIDA, SETTING GUIDELINES FOR COLLECTION OF UNPAID, DELINQUENT UTILITY ACCOUNTS; REPEALING ALL RESOLUTIONS OR PARTS THEREOF WHICH ARE IN CONFLICT HERewith; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, there exists a number of overdue and unpaid utility accounts within the City of Callaway; and,

WHEREAS, the sums due and owing from such accounts, in most cases, do not merit the expenditure of legal fees to collect, and,

WHEREAS, the City of Callaway Commission wishes to set a timeline for submission of delinquent utility accounts for collection.

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

SECTION 1. The City Commission of the City of Callaway adopts the "Delinquent and Bad Debt Policy for Utility Billing" as part of the City's Accounting Policy Manual and as identified in Exhibit "A".

SECTION 2. REPEAL. All resolutions or parts of resolutions in conflict herewith are repealed to the extent of such conflict.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 27th day of October, 2015, by the Callaway City Commission meeting in regular session.

CITY OF CALLAWAY, FLORIDA

By: _____
THOMAS W. ABBOTT, MAYOR

ATTEST: _____
JANICE L. PETERS, MMC, CITY CLERK

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY FOR THE CITY OF CALLAWAY
ONLY:

KEVIN OBOS, CITY ATTORNEY

VOTE OF COMMISSION:
ABBOTT _____
COVEY _____
HENDERSON _____
HOLLISTER _____
PELLETIER _____

EXHIBIT "A"

BAD DEBT WRITE-OFF POLICY FOR UTILITY BILLING

Generally Accepted Accounting Principles (GAAP) requires Accounts Receivable (AR) amounts to be reported net of refunds and uncollectible accounts in the City financial statements. The City's bad debt write-off policy for delinquent utility accounts receivable is established to ensure that Utility customer receivables are accurately reported. Pursuant to this policy, a portion of AR that is deemed to be not collectible is written off. This is an accounting entry made to ensure that bad debts are written off within a reasonable period to more accurately reflect the City's current assets. It does not prevent the City from eventually collecting the receivable. After being written off, payment will continue to be pursued through internal efforts and a collection agency.

Accounts receivable are recorded in a manner that allows for aging analysis. At the end of each fiscal year, an allowance for doubtful accounts is established for all AR more than 90 days old. The allowance for doubtful accounts represents an estimate of the total amount of AR deemed to be uncollectible. As required by GAAP, AR is shown net of the allowance for doubtful accounts on the City's balance sheet to ensure that receivable balances are not overstated. The City anticipates bad debt and includes an operating budget line item to recognize this "cost" of doing business. Fiscal year-end adjustments to the allowance for doubtful accounts are expensed to bad debt expense. The year-end entry is an estimate of the collective amount of bad debt estimated and does not write-off individual customer account balances.

On a quarterly basis, the Finance Department submits a list of customer accounts that are delinquent for over 90 days to the City Commission to request approval to send the accounts to our collection agency. Prior to sending a customer account to collections:

1. A final billing must have been sent and the account is closed.
2. Deposits held must have been applied to the account balance.
3. The account balance exceeds \$10.
4. The account number and balance are included on a list submitted to and approved by the City Commission.

After City Commission approval, an accounting entry generated by the City's financial software system, is posted. This entry reduces (credits) AR and (debits) Allowance for Doubtful account balances. The amount sent to collections is documented on individual customer accounts in the City's software system. A cumulative record of outstanding submissions is maintained by our collections provider. Delinquent accounts with balances of less than \$10 will be written off every 6 months upon approval by the City Manager.

To record the receipt of AR previously sent to collections, an entry is made to debit cash and credit Allowance for Doubtful Accounts. This entry updates individual customer accounts to document that the amount sent to collections has been paid. Collections retained by or sent to our collection agent to pay for their services are expensed to contractual services.

Nothing contained herein shall preclude the City from seeking or accepting payment on any bad debt that has been written off. For bookkeeping purposes and the annual audit, we must write-off these accounts however this action does not forgive the debt. The City requires all delinquent account balances to be paid in full before new service is established.

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: RESOLUTION No. 15-29 – VEHICLE USE POLICY

1. PLACED ON AGENDA BY:

J. Michael Fuller, City Manager

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)

Resolution 15-29 has been drafted in response to recent discussion on the use of take-home vehicles. It establishes a city vehicle use policy to ensure that use of city vehicles and equipment is done in an efficient and effective manner. The policy lays out the proper use of city vehicles while conducting official city business and in the event a city vehicle is used to attend an out-of-city conference, meeting, or seminar. The policy establishes the uses and criteria for take-home vehicles needed for emergency/fire operations, public works and utility service, and other official business. In general, any employee assigned a take-home vehicle must reside within a 15 mile radius of the city, and be ready and equipped to respond after normal hours of operation.

ATTACHMENTS:

- RESOLUTION No. 15-29

5. REQUESTED MOTION/ACTION:

Staff recommends City Commission approve the Resolution No. 15-29, establishing the Vehicle Use Policy, upon roll-call vote.

RESOLUTION 15-29

A RESOLUTION OF THE CITY OF CALLAWAY, FLORIDA ADOPTING A VEHICLE USE POLICY; REPEALING ALL RESOLUTIONS IN CONFLICT HERewith AND RECITING AN EFFECTIVE DATE.

WHEREAS, the City of Callaway (“City”) requires that vehicles and equipment be used only for official city business and operated within the limits of the law and established City policy; and,

WHEREAS, the City finds it in the interest for the citizens and the community to allow certain city officials and emergency personnel to use a city vehicles in carrying out official city business; and,

WHEREAS, the City Commission wishes to establish a policy to ensure that use of city vehicles and equipment is done in an efficient and effective manner.

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

SECTION 1. The City Commission of the City of Callaway adopts the “Vehicle Use Policy” as identified in Exhibit “A”.

SECTION 2. REPEAL. All resolutions or parts of resolutions in conflict herewith are repealed to the extent of such conflict.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 27th day of October, 2015, by the CALLAWAY CITY COMMISSION meeting in regular session.

CITY OF CALLAWAY, FLORIDA

By: _____
THOMAS W. ABBOTT, MAYOR

ATTEST: _____
JANICE L. PETERS, MMC, CITY CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE CITY OF CALLAWAY ONLY:

KEVIN OBOS, CITY ATTORNEY

VOTE OF COMMISSION:
ABBOTT _____
COVEY _____
HENDERSON _____
HOLLISTER _____
PELLETIER _____

Exhibit "A"

PURPOSE:

The City of Callaway manages a large inventory of vehicles and motorized equipment. These vehicles and equipment will be used only for official city business and must be operated within the limits of the law and established City policy. Vehicles may be assigned to individuals, department/office/divisions.

POLICY:

A. City Vehicles may be used only by designated City employees within the scope and purpose of official business. The use for personal business or pleasure is strictly prohibited, even when approved for use as a 24 hour 'drive home' vehicle. Department/Office/Division Directors, or their designee, will be responsible for ensuring compliance with established policy.

B. Improper use of City vehicles, as determined by this policy, will result in disciplinary action as outlined in the City's Personnel Manual.

C. No one other than City employees are permitted to ride in a City vehicle except as authorized by City Manager. Exceptions may be made for emergencies involving the protection of life and property. People who are not City employees but are working for the City in a contractual capacity may be allowed in City vehicles for the purpose of conducting official City business (An example would be a consultant hired by the City or a staff member of another governmental agency.).

D. No City employee may drive a City vehicle home or have a City vehicle on a 24 hour basis except as outlined in this policy. All approvals shall come from the City Manager.

E. Vehicle records shall be maintained by Fleet Management.

F. Department/Office/Division Directors shall be responsible for the enforcement of this policy within their respective group.

G. Use of a City vehicle while attending an out-of-City conference, meeting, or seminar

1. If to be used so that it results in no additional expenditures other than the use of the City vehicle shall be requested on a Leave Application form and approved by the Department Director or City Manager. If additional expenses are anticipated or incurred, the use of an Advance Travel Form will be required in addition to the Leave Application.

Exhibit "A"

2. Department/Office/Division Directors may authorize an employee to drive a City vehicle home after a conference, meeting, or seminar if their home is located between their current location and their designated office. The vehicle shall be returned the next morning. Furthermore, the Director may authorize an employee to drive a City vehicle home the night before a conference, meeting, or seminar if they deem it in the best interest of the City (An example would be an early morning out of City meeting that begins prior to 8:00 am when obtaining a city vehicle the same day isn't possible.).
3. An employee may use their personal vehicle in lieu of City vehicles for official travel and/or business if approved in advance by the Department Director or City Manager. Whenever travel is by privately owned vehicle, the employee shall be entitled to a mileage allowance as permitted by Florida Statutes and/or the City travel policy for such travel.

J. City vehicles may not be used to transport other employees to and from work unless required as part of an on-call response team where two (2) or more employees are necessary but only one (1) City vehicle is needed.

K. All vehicles must be the most appropriate for the task for which they are assigned. Consideration must be given to the terrain where the vehicle is normally operated, types of equipment carried, job duties of the operator, economy of operation, maintenance and other valid considerations

L. All vehicles will carry an official City license plate, City seal, current insurance card, and vehicle registration documents. Any deviation will be approved by the City Manager.

M. Vehicles will be classified in the following *three (3) categories*:

1. Emergency/Fire Operations – by permitting off-duty commanders to take home a vehicle, the City can assure the appropriate response during emergencies and critical events that occur outside of normal operating hours. The Fire Chief and other emergency commanders may be assigned a take-home vehicle subject to approval by the City Manager and the following criteria:
 - a. Must reside within a 15 mile radius of the city limits to commute with a department vehicle
 - b. Will make every effort to respond to emergencies occurring after normal operating hours where a command officer is needed

Exhibit "A"

- c. Keep the vehicle equipped and maintained as a mobile operations center (i.e. a communications center and headquarters)
2. Public Works and Utility Service – by permitting the on-call employee to take home a vehicle for only the time designated as “on-call”, the City can assure the appropriate and timely response to emergencies and critical events that occur outside of normal operating hours. This may include, but not limited to, water line repair, sewer line repair, service calls, road emergencies, drainage emergencies, etc. The on-call employee and other essential department employees may be assigned a take-home vehicle on a temporary basis subject to approval by the City Manager and the following criteria:
 - a. Must reside within a 15 mile radius of the city limits to commute with a department vehicle
 - b. Will make every effort to respond to emergencies involving water, sewer, roads, or drainage
 - c. Keep the vehicle equipped and maintained with tools and equipment needed for response and repair
 3. Other Official City Business* – by permitting other key officials and staff to take home a vehicle, the City can assure that city business is being conducted in the most efficient manner. The key officials and staff may be assigned a take-home vehicle on a temporary basis subject to approval by the City Manager and the following criteria:
 - a. Must reside within a 15 mile radius of the city limits to commute with a department vehicle
 - b. Will make every effort to be available beyond normal operating hours
 - c. Keep the vehicle equipped and maintained necessary to conduct official business

*In general, vehicle use in this category includes going to, attending, and returning from an out-of-City conference, meeting, or seminar.

N. Employees who are assigned a City vehicle are responsible for insuring that the vehicle is clean. Employees are expected to follow a maintenance schedule and insure pre-trip inspections are done daily on their assigned vehicles per Fleet Management policies. Operators may be held responsible for fines and for damages resulting from their own negligence.

O. Vehicle idling should be avoided to reduce fuel expenses and wear and tear on internal engine components unless needed to safely operate attached equipment, the vehicle is stopped in traffic, or required for public safety.

Exhibit "A"

P. Smoking is prohibited in all City vehicles.

Q. If an employee is assigned a City vehicle and/or equipment, it becomes his/her responsibility to exercise reasonable care in its use, to preserve the life of the asset, and to observe all safety precautions.

R. All City vehicles must be secured at all times. When the operator-employee is out of the vehicle, the keys must be removed from the ignition and in the possession of the operator. Exception would be made only if removing the keys would prevent the safe operation of equipment such as the use of the safety equipment. When the operator-employee is away from the vehicle, the vehicle shall be locked to prevent unauthorized access.

S. Any violation of the above specified policies shall be grounds for disciplinary action.

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: HERNANDEZ PROPERTY - INDEMNIFICATION & HOLD HARMLESS AGREEMENT

1. PLACED ON AGENDA BY:

J. Michael Fuller, City Manager

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)

After a fire destroyed the existing detached garage in the back left corner of the yard, Mr. Hernandez contracted with Tool Time Buildings to rebuild the structure on the same concrete pad. The concrete pad was not damaged by the fire.

Upon review of the permit application, it was noticed that the building was built on a City easement and on a culvert pipe. Although it may have been permitted in the past, we now have more advanced computer assisted G.I.S. information available. As it is, the building cannot be permitted.

In an effort to work with the property owner under these extenuating circumstances, an Indemnification and Hold Harmless Agreement was drafted for the City and Mr. & Mrs. Hernandez to sign.

The Pipe has been inspected by the Public Works Department and is in good condition.

ATTACHMENTS:

- ACCESSORY STRUCTURE APPLICATION
- G.I.S. MAPS
- E-MAIL – REPORT OF INSPECTION
- INDEMNIFICATION & HOLD HARMLESS AGREEMENT

5. REQUESTED MOTION/ACTION:

Staff recommends that the City Commission direct the City Manager to sign the Indemnification and Hold Harmless Agreement and allow the Planning & Building Departments to issue required permits once the property owners have also signed the agreement.



6601 EAST HWY. 22 • CALLAWAY, FLORIDA 32404
PHONE (850) 871-6000 • FAX (850) 871-2444
Email: www.cityofcallaway.com

ACCESSORY STRUCTURE APPLICATION

Items must be submitted with application

- A survey with accessory building drawn and set backs shown
- A site plan drawn to scale with lot dimensions plus accessory building set back shown

Accessory Building Contractor

Contact person: JAMES McLOAN

Date of application: 8-18-15

Name: TOOL TIME BUILDINGS

Address: 3802A E 15TH ST

City: PL State: FL Zip Code: 32404

Telephone: 257-5729 Fax: 763-0097

Applicant Information

Name: Jerry Hernandez

Address: 1036 Comet Ave

City: Callaway State: Florida Zip Code: 32404

Height of Primary Structure: 10 Height of Accessory Structure: 8

Lot Square Footage: 12870 Dwelling footprint square footage: 2061

Driveway Square footage: 300 Accessory Building square footage: 576

Pool Square footage: 500 Patio/Deck square footage: _____

Setbacks
From Primary Structure: 2d 22%
IMP SUR
Left side: 5' Right side: 81'
Rear: 5'

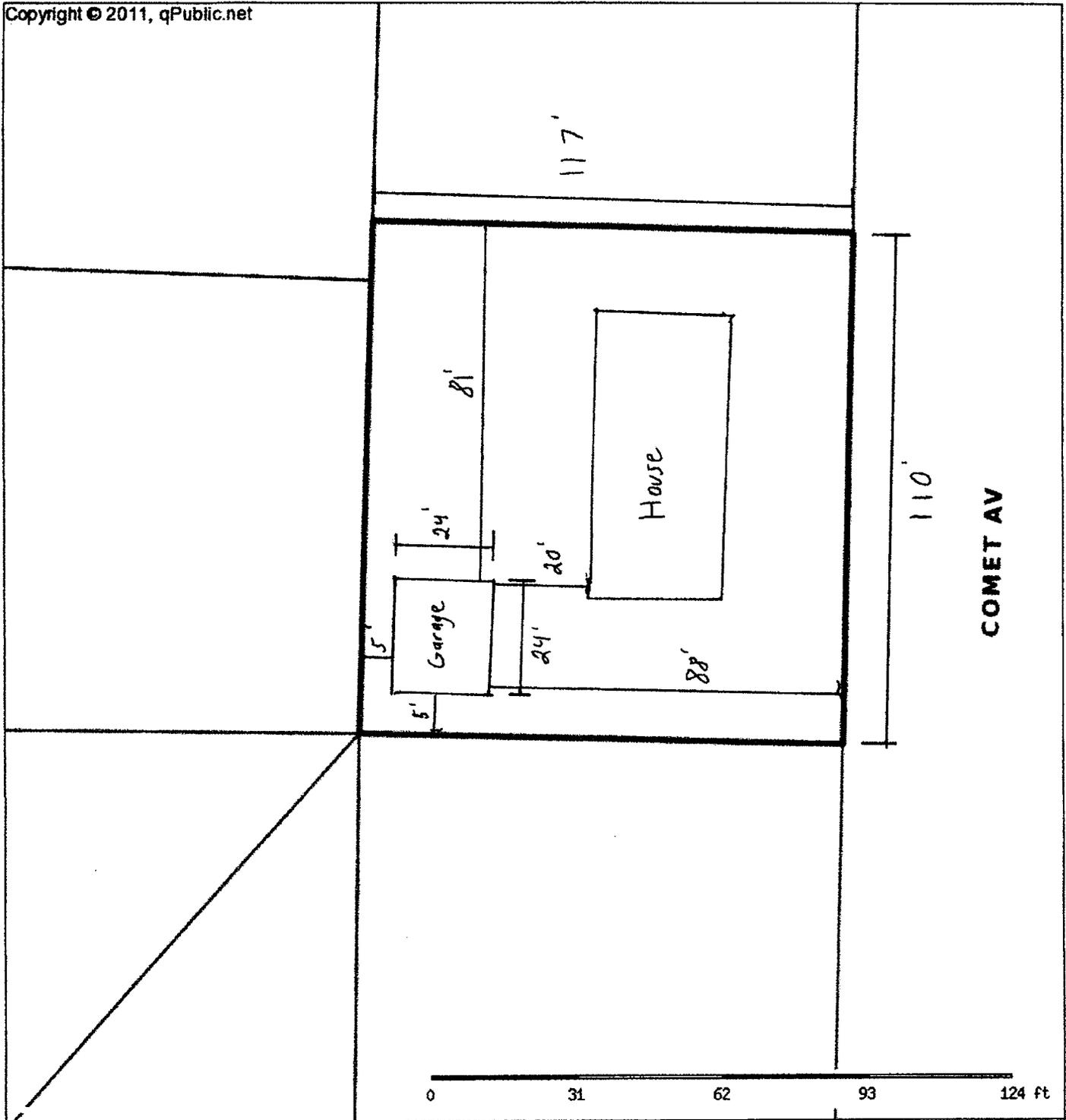
No such building or structure shall be located nearer than five (5) feet to any property line and not closer than ten (10) feet to the principle structure. Setbacks are measured from the closest portion of a building, including any projection or overhand of the building. An additional setback from a lot line of one (1) foot shall be required for each foot of total building or structure height exceeding eleven (11) feet until a setback of ten (10) feet is reached.

Signature: _____ Date: 8-28-15

The City of Callaway will prepare the permit document based on the information provided by the applicant or mover, and will not be held responsible or liable for falsified information provided to them

In addition, all information provided to the applicant by the City, must be in writing and endorsed by a proper authority

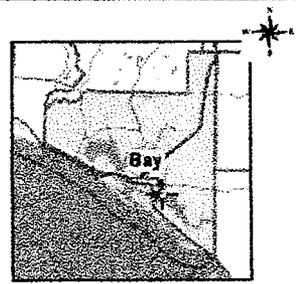
~~*~~ OLD GARAGE HAS BEEN REMOVED ~~*~~
WE ARE UTILIZING EXISTING SLAB
NO ADDITION IMPERVIOUS SURFACE
IS BEING ADDED



Bay County Appraiser

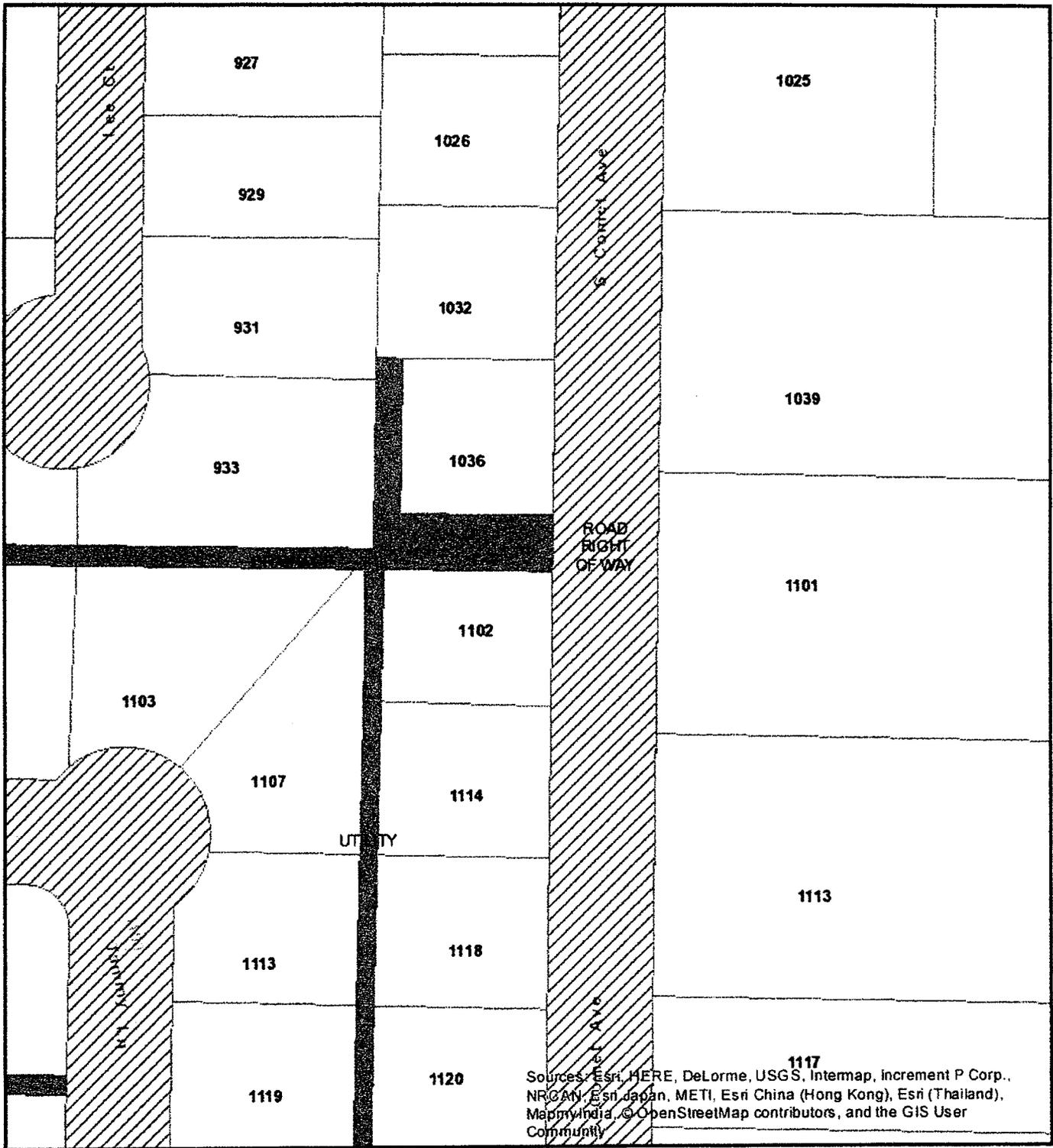
Parcel: 07225-015-000 Acres: 0.295

Name:	HERNANDEZ, JERRY & DANA W	Land Value	23,823
Site:	1036 COMET AVE S	Building Value:	85,361
Sale:	\$192,000 on 08-2005 Reason=N Qual=Q	Misc Value:	13,071
	1036 COMET AVE S	Just Value:	122,255
Mail:	PANAMA CITY, FL 32404	Assessed Value	122,255
		Exempt Value	50,000
		Taxable Value	72,255



Bay County makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll.

Date printed: 08/26/15 : 11:05:06



Source: <http://maps.baycountyfl.gov>

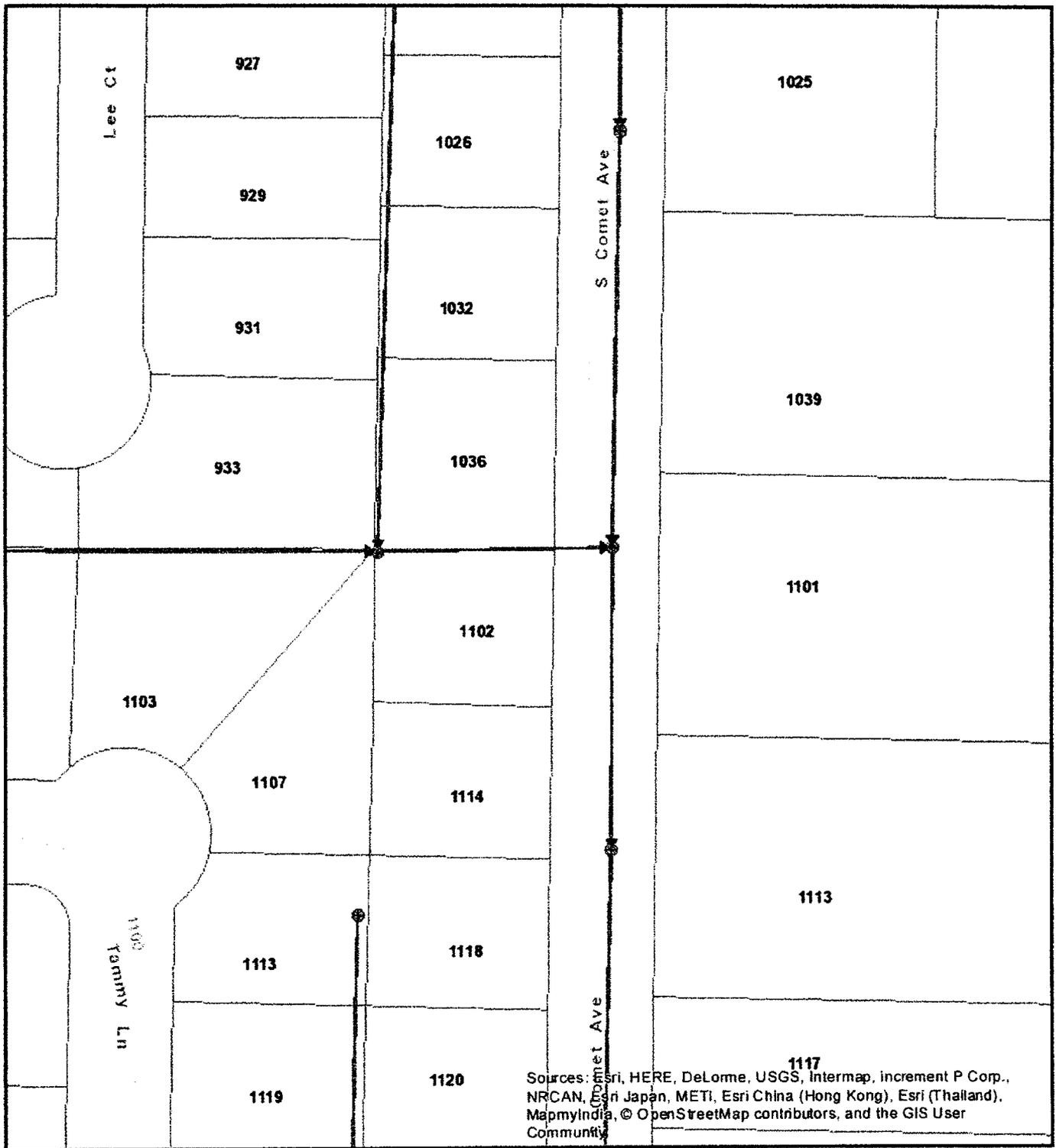


Easements



This data is provided with understanding that the conclusions drawn from such information are solely the responsibilities of the user. The GIS data is not a legal representation of the features depicted, and any assumption of the legal status of this data is hereby disclaimed. Bay County GIS Division - 850.248.8071 - gis.division@baycountyfl.gov

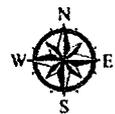
Printed: 8/28/2015



Source: <http://maps.baycountyfl.gov>

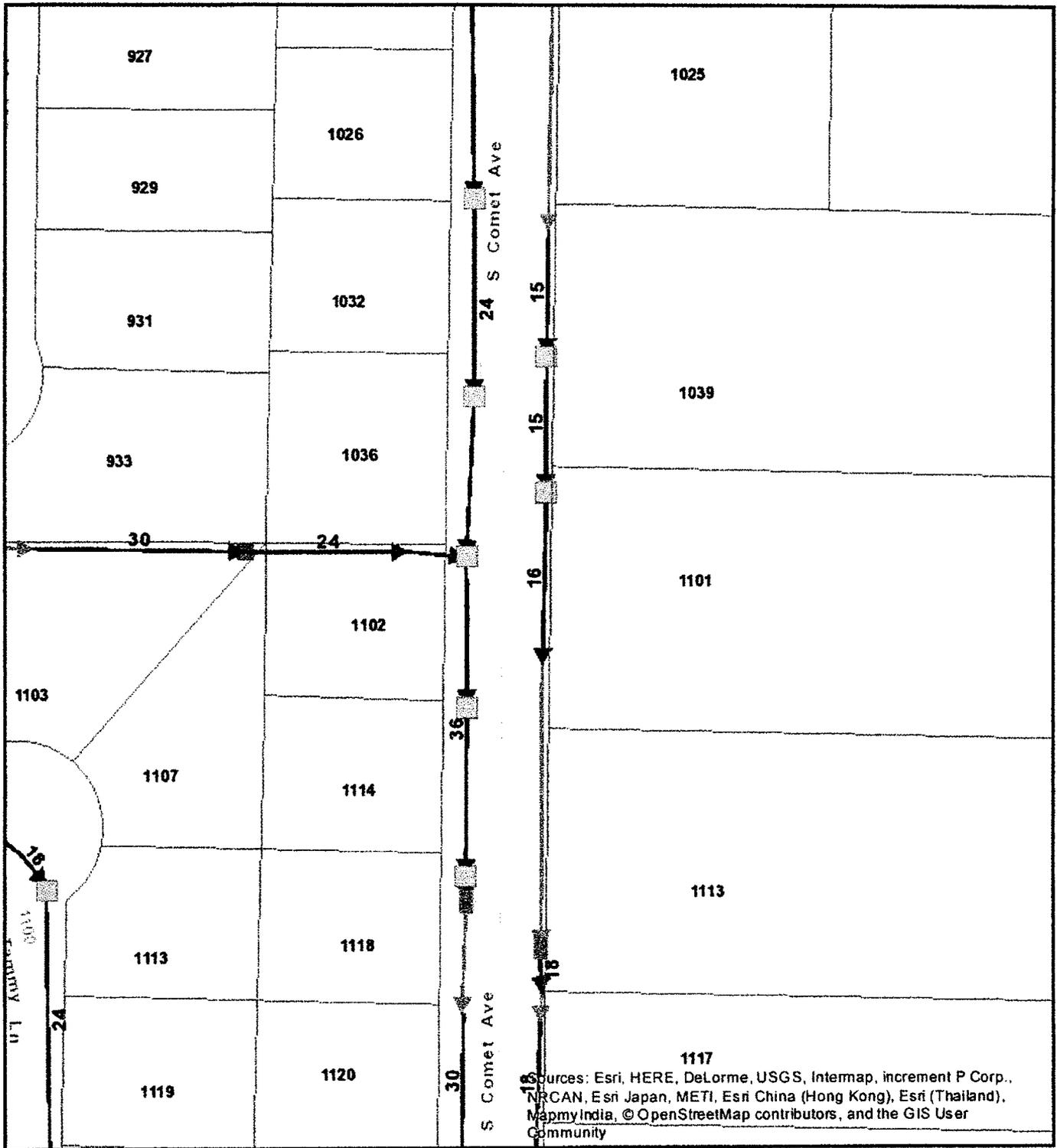


Sewer



This data is provided with understanding that the conclusions drawn from such information are solely the responsibilities of the user. The GIS data is not a legal representation of the features depicted, and any assumption of the legal status of this data is hereby disclaimed. Bay County GIS Division - 850.248.8071 - gis.division@baycountyfl.gov

Printed: 8/28/2015



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Source: <http://maps.baycountyfl.gov>



Stormwater



This data is provided with understanding that the conclusions drawn from such information are solely the responsibility of the user. The GIS data is not a legal representation of the features depicted, and any assumption of the legal status of this data is hereby disclaimed. Bay County GIS Division - 850.248.8071 - gis.division@baycountyfl.gov

Printed: 8/28/2015

William Frye

From: Justin Hodges [jhodges@cityofcallaway.com]
Sent: Friday, September 11, 2015 11:05 AM
To: 'William Frye'
Subject: RE: 1036 S. Comet

Bill,

Richard Addison and his crew televised this line. As of now it looks good. I also made a visual inspection from the surface. However this pipe is corrugated steel and can eventually rust out causing a loss of integrity to the pipe. Over time any rusting or holes in the pipe can cause sink holes and may need to be replaced. In its current condition it should be fine for several years to come. I know you already know all of this but I wanted to have it documented for any future concern.

Thank You



Justin Hodges
Stormwater Specialist/Safety Rep.
City of Callaway
Public Works
Office: (850)-871-1033
Direct: (850)-215-7181
Fax: (850)-871-2416
jhodges@cityofcallaway.com
www.cityofcallaway.com

From: William Frye [<mailto:wfrye@cityofcallaway.com>]
Sent: Wednesday, September 09, 2015 4:08 PM
To: 'Justin Hodges'
Subject: 1036 S. Comet

Justin,

Per our conversation on the phone earlier today. Please conduct an inspection of the Storm water culvert on the South side of 1036 S. Comet. Please provide a simple report of the pipes condition.

I have spoken to the owner, Mr. Jerry Hernandez on the phone, and he is willing to sign a Hold Harmless Agreement or Right of way / Easement use agreement.

Thanks,

Bill Frye
Zoning & Code Enforcement Officer
City of Callaway
850-871-4672

INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

THIS INDEMNIFICATION AND HOLD HARMLESS AGREEMENT (the "Agreement") made and entered into this _____ day of _____, 2015, by and between JERRY AND DANA HERNANDEZ, individually and as husband and wife, ("Hernandez"), and the CITY OF CALLAWAY, FLORIDA, a municipal corporation (the "City").

WITNESSETH:

WHEREAS, Hernandez is the owner of that certain real property located at 1036 S. Comet Avenue, Callaway, Florida, which is subject to certain drainage and utility easements of record; and

WHEREAS, Hernandez seeks to re-construct an accessory structure that was damaged due to fire, but the City is reluctant to approve the construction of the accessory structure given its potential interference with the drainage and utility easements; and

WHEREAS, the accessory structure application and building permit application have been duly submitted to the City, true and correct copies of which are maintained in the City Building Department and are incorporated herein by reference; and

WHEREAS, the City Building and Planning Departments have reviewed the Applicant's request and have no objection to it; and

WHEREAS, the City is willing to permit the re-construction of the accessory structure provided the risk of liability for any damages sustained as a result of its placement within, across and over the drainage and utility easements is fully assumed by Hernandez.

NOW THEREFORE, in consideration of the mutual covenants hereinafter expressed, and the City's reliance upon these presents, the parties agree as follows:

1. The foregoing recitals are true, correct and complete.
2. Hernandez agrees to construct, maintain, repair and replace at its sole cost and expense the accessory structure in a good and workman like manner and in strict conformity with the application and permit, and that the accessory structure shall not be altered without the prior written consent of the City which may be given or withheld in the City's sole discretion. Hernandez further agrees to maintain, repair and replace at its sole cost and expense the accessory structure such that it does not become a nuisance, an eyesore, or a danger to the public health, safety or welfare as may from time to time be determined by the City in its sole discretion.

3. Hernandez agrees to indemnify and hold harmless the City, its officers and employees, from any and all claims, proceedings, causes of action or damages, including attorney's fees and costs, which are brought against the City which arise from or are directly or indirectly related to the accessory structure, and the placement of such improvements within, across and over the easements.
4. Hernandez agrees to indemnify the City, its officers and employees, from any and all claims, proceedings, damages, loss, cost or expense, including without limitation reasonable fees and expenses of attorneys and other professionals, which are incurred by the City in any eminent domain action necessary to acquire any other easement and perpetual right of entry on Hernandez's real property to access, maintain, repair, demolish, or alter the accessory structure.
5. The City shall give prompt notice to Hernandez of the assertion of any claim, or the commencement of any action or proceeding, in respect of which indemnity may be sought under Section 2, 3, or 4 of this Agreement; provided that the failure to give such notice shall not affect the City's rights hereunder, except to the extent that Hernandez is prejudiced thereby. The City shall be entitled to control the handling of any such claim and to defend any such claim, in its sole discretion, with counsel of its own choosing, but shall not settle any such claim without the consent of Hernandez.
6. All notices and other communications given or made pursuant to this Agreement shall be directed as follows:

To Hernandez: Jerry and Dana Hernandez
1036 S. Comet Avenue
Callaway, Florida 32404

To the City: City of Callaway, Florida
Michael Fuller, City Manager
6601 East Highway 22
Callaway, FL 32404

With copy to: Kevin D. Obos, Esq.
Harrison Sale McCloy
Post Office Drawer 1579
Panama City, FL 32402
850-769-3434

IN WITNESS WHEREOF, Jerry and Dana Hernandez have caused this instrument to be executed on this _____ day of _____, 2015.

Signed, sealed and delivered
in the presence of:

(Signature of Witness)
Print Name: _____

Jerry Hernandez

(Signature of Witness)
Print Name: _____

Dana Hernandez

STATE OF FLORIDA
COUNTY OF BAY

The foregoing instrument was acknowledged before me this ___ day of _____, 2015, by Jerry Hernandez and Dana Hernandez

- who are personally known to me.
- who produced _____ as identification.

Signature of Notary Public

IN WITNESS WHEREOF the City of Callaway, Florida has caused this instrument to be executed on this _____ day of _____, 2015.

**CITY OF CALLAWAY,
FLORIDA**, a municipal corporation

By: Michael Fuller, City Manager

ATTEST:

Janice Peters, City Clerk

STATE OF FLORIDA
COUNTY OF BAY

The foregoing instrument was acknowledged before me this ___ day of _____, 2015, by Michael Fuller and Janice Peters as City Manager and City Clerk of the City of Callaway, Florida.

- who is personally known to me.
- who produced _____ as identification.

Signature of Notary Public

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: BRIDGE HARBOR DEVELOPMENT 1 STAGING/SCHEDULE

1. **PLACED ON AGENDA BY:**
J. MICHAEL FULLER, CITY MANAGER

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)

HCI Bridge Harbor, LLC ("Applicant") is requesting to revise the Development Staging and Schedule for the Bridge Harbor Development 1 Development Order. The Development Schedule provides for development in five (5) phases, including three (3) sub-phases. City staff considered the adopted polices and standards contained in the Comprehensive Plan and LDR as they pertain to the development staging or phasing. It is the opinion of staff that the revisions to the Bridge Harbor Development Staging and Schedule for Development 1 are consistent with the adopted city policies and development standards.

ATTACHMENTS:

- PLANNING STAFF FINDINGS/RECOMMENDATION
- APPLICANT LETTER AND STAGING NOTES

5. **REQUESTED MOTION/ACTION:**

Staff recommends that the City Commission approve the Applicants request to revise the Development Staging and Schedule for the Bridge Harbor Development Order attached hereto as Exhibit "A".

**CITY OF CALLAWAY
PLANNING DEPARTMENT
STAFF FINDINGS**

**REVISION TO THE DEVELOPMENT ORDER – BRIDGE HARBOR
DEVELOPMENT 1 STAGING SCHEDULE**

Date: October 27, 2015

Applicant: HCI Bridge Harbor, LLC

Location of Subject Property: Boat Race Road and South Berthe Avenue

Designated Land Use: Low Density Residential

Designated Zoning: Planned Development (PD)

Background:

HCI Bridge Harbor, LLC (“Applicant”) is requesting to revise the Development Staging and Schedule for the Bridge Harbor Development 1 Development Order. The development order was approved in 2012 and last modified on December 10, 2013. Bridge Harbor Development 1 is to be constructed in stages or phases in accordance with Section 15.645 of the Callaway Land Development Regulations (“LDR”). Development of Stages 1 and 1A has commenced, and has been substantially completed. Enclosed as Exhibit “A” is the letter submitted by the Applicant and the new staging schedule which details all proposed revisions.

Findings:

City staff has conducted a technical review of the proposed changes to the development staging schedule in the Bridge Harbor Development 1 Development Order. The revised schedule provides for development in five (5) phases, including three (3) sub-phases. As noted above, Stages 1 and 1A have already begun and have been substantially completed. Please reference the attached “Stage Notes” for more information on the construction activity in each of these phases. Stage 2 will be divided into sub-phases 2A and 2B. Finally, a Stage 5 will be added to the Development Schedule and will be completed in January 2024. The remainder of the residential subdivision development, known as the Grove, will be completed in Stage 5.

The proposed request has been reviewed by city staff and found to be consistent with the standards in the LDR, and with the goals and policies of the Comprehensive Plan. The Comprehensive Plan encourages the approval of development orders in phases so the facilities and services required by each phase are available consistent with the adopted level of service standards. The LDR provides that development may be constructed in stages or phases, and that each stage must be completed in two (2) years. Specifically, the LDR states the following:

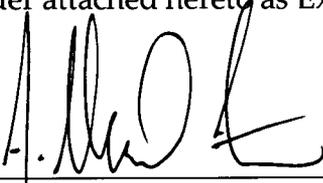
*...If the development is to be constructed in stages, the applicant must begin and substantially complete the development of each stage within two years of the time provided for the start of construction of each stage in the development schedule.
(sec. 15.645, LDR)*

A primary objective of the Planned Development (PD) Zoning Regulations states the purpose of the zoning is to accommodate comprehensively planned and phased development. Furthermore, the approved plans and details allow for consideration of market and economic conditions as reason for periodic revision of the development schedule by the City Commission.

City staff considered the adopted polices and standards contained in the Comprehensive Plan and LDR as they pertain to the development staging or phasing. It is the opinion of staff that the revisions to the Bridge Harbor Development Staging and Schedule for Development 1 are consistent with adopted city policies and development standards. The staged or phased method of development generally provides a local government or city with a multistep review process that ensures better oversight, thus a greater opportunity of a successful development project. The planned staging and scheduling will also allow the city to keep up with level of services standards.

Recommendation:

Staff recommends that the City Commission approve the Applicants request to revise the Development Staging and Schedule for the Bridge Harbor Development 1 Development Order attached hereto as Exhibit "A".



J. Michael Fuller, AICP
City Manager

Enclosures: Exhibit A – Applicant Letter and Staging Notes

BUCHANAN & HARPER
ENGINEERING • PLANNING • SURVEYING LANDSCAPE ARCHITECTURE
735 West 11th Street, Panama City, Florida 32401 • 850.763.7427

October 12, 2015

Via Email

Mr. J. Michael Fuller
City Manager
City of Callaway
6601 East Highway 22
Callaway, Florida 32404

Re:

Job No.:

Dear: Mr. Fuller:

Please accept this letter as HCI Bridge Harbor, LLC' s application for a revision of the Bridge Harbor Development 1 Staging/Schedule as set out in the original Development Order which was adopted by DO 2012-01 and amended on December 10, 2013.

Attachment A to this letter sets out the proposed changes in the staging of the Development Order. I call your attention to the additions of Stages 2A and 2B.

After a technical review has been conducted by the appropriate personnel of the City of Callaway, I would appreciate your placing this on the agenda for the October 27, 2015 meeting if that is possible.

If you have any questions, please do not hesitate to contact me or Bob Hughes who represents the applicant.

Sincerely,
BUCHANAN & HARPER, INC.



Michael W. Harper, PE

CC: Chuck Harmon, Bob Hughes

Attachement: 2015 Proposed Plan D1 Notes - Redline

The following constitutes the proposed changes to the Development Staging/Schedule for the Bridge Harbor Development 1 Development Order as originally adopted by DO 2012-01 and amended on December 10, 2013.

GENERAL NOTES:

1. The project depicted hereon is a staged development in accordance with section 15.645 of the city of Callaway land development regulations.
2. Stage 1 shall commence construction no later than 180 days from development order approval and shall substantially complete construction within two years from the time of final approval. Upon approval of the City Commission, commencement may be extended for one additional 180 day period.
3. Subsequent stages shall commence and complete construction within two years of ~~the time provided for~~ construction commencement as contained in the development schedule shown hereon.
4. As development may be subject to market and economic conditions, the approved development schedule may be revised periodically through approval of the City Commission in accordance with section 15.645 of the City of Callaway Land Development Regulations.
5. Commencement and completion of any stage of construction at an accelerated schedule shall not be deemed inconsistent with the development schedule or development approval.

Development Schedule

Development Stage	Stage Commencement Date	Stage Completion Date
1	Within 180 Days Of Approval	9/30/2014
1A	January 2015	January 2016
<u>2A</u>	January 2016	January 2018 2017
<u>2B</u>	<u>January 2017</u>	<u>January 2018</u>
3	January 2018	January 2020
4	January 2020	January 2022
<u>5</u>	<u>January 2022</u>	<u>January 2024</u>

STAGE NOTES:

1. Stage 1 construction consists substantially of parking/turn-around area, stormwater pond, demolition of the existing house, Bridge Harbor Drive, gyro-tracing from the end of Bridge Harbor Drive to the shoreline buffer within the Commercial Parcel, and hand trimming of the shoreline buffer to improve the vista of Callaway Bayou and East Bay within the Commercial Parcel. For stage 1, Bridge Harbor Drive and parking area will be partially constructed to serve as construction access and staging area, see notes Sheet D2. Paving of these areas will be delayed until later stage construction to prevent pavement damage by construction activity.
2. Stage 1A consists of the permitting and filling of the USACE regulated isolated wetland area located within the southwest corner of the site created predominately by past agricultural activities. The initial permitting work will commence within 30 days of Development Order amendment. Authorization to fill the area will be obtained from the USACE prior to the stage commencement date, January 2015. Construction will commence immediately thereafter and consist substantially of the placement of an average of 1-foot of fill within the area and vegetative stabilization of the area.
3. Stage 2A consists of a portion of the main entrance including approximately 175 linear feet of pavement, curb & gutter, walks, driveway culvert, and entry gate.
4. Stage 2B consists of mowing along Boat Race Road and Berthe Avenue, preparation of the adjacent ditches for cleaning by the City, hydroseeding the adjacent ROW, removal of the

existing agricultural fence, and installation of project signage and monumentation. Mowing will consist of mowing of the adjacent ROW and for a minimum depth of approximately 200-feet interior to the property along Boatrace Road and Berthe Avenue using a mulching forestry mower to remove understory vegetation to improve vistas into the property.

- 3-5 Stage 2-3 construction consists of that portion of the Grove Subdivision denoted hereon, the Boatrace Road stormwater ditch reroute system, structures S-135 to S-141 and utilities to the Upland Commercial Parcel including the grinder station.
- 4-6 Stage 3-4 construction consists of the remainder of the Upland Parcel infrastructure including piers, walks, pavement, parking areas, building pads and utilities.
- 5-7 Stage 4-5 construction consists of the remainder of the Grove Subdivision.
- 6-8 For construction documents for the Upland Commercial Parcel and that portion of the access road up to the boundary of the Grove Subdivision, see the site development plans for the Bridge Harbor Upland Commercial Parcel by Buchanan & Harper, Inc., File Number E-2861.
- 7-9 For construction documents for the Grove Subdivision, see the subdivision plans for the Grove Bridge Harbor by Buchanan & Harper, Inc., File Number E-2579.

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: LOCAL BUSINESS TAX RECEIPT

1. PLACED ON AGENDA BY:

Mayor Abbott

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)

REVIEW AND DISCUSSION OF CURRENT LOCAL BUSINESS TAX

EVERY PERSON, CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY ENGAGING IN ANY BUSINESS IS REQUIRED TO OBTAIN A LOCAL BUSINESS TAX RECEIPT FROM THE CITY. CURRENTLY, THE AMOUNT OF LOCAL BUSINESS TAXES IS \$50 AND IS RENEWED ON AN ANNUAL BASIS. MANY MUNICIPALITIES HAVE BUSINESS TAX RECEIPTS (LICENSE) AT AMOUNTS MUCH HIGHER THAN \$50. THE ATTACHED INFORMATION HAS BEEN INCLUDED FOR THE BOARD TO DISCUSS REVISING THE CURRENT AMOUNT PAID TO THE CITY.

ATTACHMENT:

- ORDINANCE NO. 837
- OTHER CITY/COUNTY PROVIDERS

5. REQUESTED MOTION/ACTION:

Discussion and/or Direction to Staff

ORDINANCE NO. 837

AN ORDINANCE PROVIDING FOR AN AMENDMENT TO ORDINANCE NO. 529 CHANGING THE NOMENCLATURE OF "OCCUPATIONAL LICENSE FEE" TO "LOCAL BUSINESS TAX"; REPEALING ANY ORDINANCES WHICH ARE IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Callaway City Commission approved Ordinance No. 529 on March 1997 providing for an occupational license tax; and

WHEREAS, on June 9, 2006, Governor Jeb Bush signed chapter 2006-152, House Bill No. 1269 instructing municipalities to issue "receipts" instead of "licenses" for "local business taxes", previously referred to as "occupational licenses"; and

WHEREAS, this change is simply a nomenclature change and has no substantive effect; and

WHEREAS, the City of Callaway desires to change its ordinance so the nomenclature is consistent with the State law.

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

SECTION 1 From and after the effective date of this Ordinance, Ordinance No. 529 is amended to read as follows:

Section 1: Local Business Tax. In order to be granted the privilege of engaging in or managing any business, profession or occupation within the City, every person, corporation, partnership or other business entity (hereinafter referred to as "person" is required to obtain a local business tax receipt. However, a local business tax receipt is not required of persons who own and rent or lease one residential or commercial unit. Any person who exercises any of the privileges of carrying on, engaging in, managing or conducting any business, occupation, or profession within the City

of Callaway must pay a business tax at the time and in the amount as provided herein. The receipt provides regulatory information to the City so that the City can maintain the health, safety and welfare of the citizens. A local business tax is hereby levied on any person who maintains a permanent business location or branch office within the City for the exercise of any of the privileges of carrying on, engaging in, managing or conducting any business occupation, or profession within the City of Callaway. Alternatively, any person who does not qualify under the above provision and who transacts any business or engages in any occupation or profession in interstate commerce, if such business tax is not prohibited by Section 8 of Article I of the United States Constitution, must comply with the provisions of this ordinance.

Section 2: Amount of Local Business Taxes. Every person exercising the privilege of carrying on or engaging in the business, profession or occupation hereinafter specifically enumerated shall pay a business tax in the amounts as fixed hereinafter; each such amount, unless otherwise specifically stated, shall be in the amount so stated payable annually as a business tax for exercising such privilege or carrying on or engaging in a business, profession or occupation. It shall be unlawful for any person to carry on or engage in any business, occupation or profession herein prescribed and designated without having first paid the local business tax as provided herein.

Every new business, occupation and profession must pay a fee of \$50.00, unless the \$50.00 fee is more than a 200 per cent increase in the fee charged in Ordinance 410 or 413, in which case the minimum fee is \$25.00 or a 200% increase in the fee charged in Ordinance 410 or 413, whichever is greater. The maximum fee is \$50.00. For example: all businesses, occupations and professions except for those specifically listed in the next paragraph pay as follows: if the fee in Ordinance 410 was \$5.00, the fee under this ordinance is \$25.00. If the fee in Ordinance 410 was \$20.00, the fee under this ordinance is \$50.00. If the fee in Ordinance 410 was \$35.00, the fee under this ordinance is \$50.00. If the fee in Ordinance 410 was \$200.00, the fee under this ordinance is \$50.00.

Mobile home parks pay the greater of a \$25.00 minimum or \$3.00 per space with the maximum fee not to exceed \$50.00. Multi-family dwellings with three units or less (duplex, triplex, apartments, etc.) pay the greater of a \$25.00 minimum or \$6.00 per unit with the maximum fee not to exceed \$50.00. Multi-family dwellings with four units or more (quadraplex, apartments, etc. pay the greater of a \$25.00 minimum or \$12.00 per unit with the maximum fee not to exceed \$50.00. Hotels and motels pay \$37.50 for 20 rooms or less and \$50.00 for 21 rooms or more

Section 3: Posting Receipts. It shall be the duty of any person conducting that business in the City of Callaway to keep the receipt posted in a prominent place on the premises of the business.

Section 4: Penalties. Receipts that are not renewed when due and payable are delinquent and subject to a delinquency penalty of 10 percent for the month of October, plus an additional 5 percent penalty for each subsequent month of delinquency until paid. However, the total delinquency penalty may not exceed 25 percent of the local business tax for the delinquent establishment

Any person who engages in or manages any business, occupation or profession without first obtaining a local business receipt if required, is subject to a penalty of 25 percent of the local business tax due, in addition to other penalties provided by law

Any person who engages in any business, occupation or profession covered by Chapter 205, Florida Statutes, who does not pay the required local business tax within 150 days after the initial notice of tax due, and who does not obtain the required local business receipt is subject to civil actions and penalties, including court costs, reasonable attorneys fees, additional administrative costs incurred as a result of collection efforts and a penalty of up to \$250.00.

Section 5: Separate Receipts Required for Separate Locations. If any person operates any business, occupation or profession at more than one location, each location shall be considered a separate business and a separate receipt is required for each unless the separate businesses are located at the same street address.

Section 6: Occupations in More than One Classification

When a person's occupation, profession or business falls into more than one local business classification as determined by the Clerk such business, occupation, or profession shall comply only the highest tax required of any of the classifications classification must be receipted and reflected on the receipt. Classifications shall be determined by the City Commission by resolution and shall be adopted from time to time as needed

Section 7 Sale of Receipts A. General Receipts.

receipts shall be issued by the City Clerk or designee Prior to issuing a receipt, the City Clerk or designee must verify compliance of the business, occupation or profession's location in relation to the City of Callaway Comprehensive Growth Development Plan and Land Development Regulations by contacting the designated person for verification of local business receipts If the applicant disputes the determination, an appeal can be made to the Callaway Board of Adjustment, whose determination shall be final

The City Clerk or designee shall maintain a list of all receipts issued showing the date of issuance, the name of the party to whom the receipt is issued, the number of the receipt and the nature of the business(es), occupation(s) or profession(s) which pertain to that applicant

B. Home Occupations. All applications for home local business receipts shall be submitted to the City Clerks office. A public notice shall be posted in the yard of the residence of the proposed home occupation at least 10 days prior to consideration of

the application by the Planning Department. The public notice shall state that a home occupation application is pending and that interested persons can obtain a copy of the application at the City Clerks office. Also, the public notice shall state the date that the City Clerk intends to issue the home local business receipt.

The City Clerk shall either approve, approve with conditions or disapprove the application. The City Clerk shall disapprove a receipt to a person whose application does not comply with this ordinance.

The following occupations conducted in residential dwellings are expressly prohibited and presumed to be public nuisances in residential land use districts:

- (1) Barber shop, beauty shop.
- (2) Public dining facility.
- (3) Photographic studio
- 4) Film developing or processing.
- (5) Repair shop, except watches and jewelry.
- (6) Laboratory, involving the conduct of experiments entailing the use of chemicals or matter of energy that creates, or causes to be created noise, noxious odors, or hazardous dangers to the public health, safety and welfare.

In order to approve the local business application, the City Clerk must find that (1) the business activity constitutes a home occupation as defined herein, and (2) the application complies with the provisions of this ordinance, the City of Callaway

Comprehensive Growth Development Plan, the City of Callaway Land Development Regulations and other applicable law. If the City Clerk finds that the local business application does not comply with aforementioned, then the application shall be disapproved. If the applicant disagrees with the determination by the City Clerk a written appeal can be made within 30 days to the Callaway Board of Adjustment, whose determination shall be final

Section 8: Receipt Renewals. All receipt renewals shall be sold beginning August 1 of each year and shall be due payable on or before September 30 of each year. Every receipt expires on September 30 of the succeeding year. In the event that September 30 falls on a weekend or holiday, the tax shall be due and payable on or before the first working day following September 30

If a person, corporation, partnership or other business entity owes the City for past due local business taxes, the outstanding fees plus applicable penalties must be paid prior to renewal of the receipt at the rates included in this ordinance. If outstanding fees and penalties are not paid, then the receipt will not be renewed

Section 9: Transfer of Receipts. Any business receipt may be transferred to a new owner, when there is a bona fide sale of the business, upon payment of a transfer fee of 10 percent of annual local business tax, but not less than \$3.00 nor more than \$25.00, and presentation of the original receipt and evidence of

the sale.

Section 10: Revocation and Cancellation of Receipt. In addition to the other penalties provided in the Callaway Code of Ordinances, any person violating any provisions of this ordinance shall be subject to receipt revocation. Upon the conviction of any person of violation of any provision of this ordinance, the City Clerk may, in her discretion, revoke and cancel the receipt of person so convicted. The renewal or reissuance of the receipt shall be in the discretion of the City Commission.

Section 11: Receipts Not to Affect Other Taxes or Permit Fees. Receipts imposed and collected by this ordinance shall not be construed to exempt the payor from liability for other forms of taxation on property used in the business, occupation, or profession nor shall it exempt the payor from liability for payment of other taxes or permit fees set forth in any other section of the Callaway Code of Ordinances

Section 12: Nuisance. No business, licensed or not, shall be so conducted or operated as to amount to a nuisance.

Section 13: Home Occupation Defined. Prior to approving an application for a home occupation, the Planning Department must determine whether the proposed business activity constitutes a home occupation. A home occupation is that business activity in a residential land use district that:

- (a) is conducted within the confines of a residence,
- (b) is conducted only by members of the family

domiciled within the residence where the occupation is located and will be the only participants in the occupation at that location, and

- (c) will not continuously maintain an inventory of goods or products for delivery to or pick-up by consumers from the property where the occupation is located, and
- (d) stores all materials, equipment and supplies used in the conduct of the occupation entirely within the residence or an accessory structure, and
- (e) generates traffic which does not cause any roadway to exceed the adopted level of service standard specified in the Callaway Comprehensive Growth Development Plan, and
- (f) does not use a delivery vehicle for delivery to or from the residence exceeding two (2) trips per day, except for third party delivery services, and
- (g) has no marked equipment used in conjunction with the home occupation placed on or about the residence that would identify, advertise, or otherwise attract attention to the residence, and
- (h) does not create noise, vibration, glare, fumes, odors, dust, smoke, or electrical interference detectable to the normal senses beyond the lot line or common wall of the residence, whichever is applicable, and

- (i) does not display projects, operations, signs, or name plates in or about the residence or accessory structures which are visible from outside the residence, and
- (j) does not advertise in or about the residence to attract people to the residence, and
- (k) contains vehicle parking within the residential lot on which the home occupation is conducted unless prior approval is obtained by neighbors for temporary use of their yards for parking. Additionally, activities of the home occupation comply with the provisions of Chapter 17, Art. III, *Traffic and Motor Vehicles*, of the Callaway Code of Ordinances

Section 13: Repeal. Ordinance 468 and others in conflict herewith, are repealed to the extent of such conflict.

Section 14: Effective Date. This Ordinance shall take effect upon passage. Existing businesses, occupations and professions shall pay the local business fees outlined herein upon renewal of their receipts. New businesses, occupations or professions which are established after the date of passage shall pay local business fees according to this ordinance

SECTION 2: Effective Date. This Ordinance shall take effect upon passage.

PASSED AND ADOPTED by the City of Callaway, Florida, at its regular meeting on the
26 day of June, 2007.

CITY OF CALLAWAY, FLORIDA



Kenneth L. Meer, Mayor

ATTEST:



Cynthia Parker
Acting City Clerk

Panama City Local Business Tax

Range is from \$25 to \$2,500 depending on the type of occupation (plus a merchant license fee for retail and wholesale sales).

Panama City Beach Local Business Tax

\$50 annually plus 1% of monthly gross sales (merchant license)

Lynn Haven Local Business Tax

Based upon type of business, sq.ft., value of inventory, number of tables, and/or drive-throughs, etc.

Business Tax Receipts

City of Belle Glade

CITY OF BELLE GLADE

Sec. 18-51. - Amount of fees.

The amount of business license fees levied and imposed hereunder are hereby fixed at the following rates or amounts:

ABSTRACT COMPANIES: Person or persons, firms, corporations or associations preparing abstracts and charging a fee therefore or giving legal advice with such abstracts, per year\$66.00

ACCOUNTING FIRMS: (including Tax Form Service)66.00

ADDING MACHINES: To include calculators, computers and other business machines, agents, representatives or dealers, where principal business includes repairs and sales, per year44.00

ADVERTISING AGENTS OR AGENCY:

- (1) Persons, firms or corporations66.00
- (2) Signs, electrical or mechanical advertising other than licensed agency's own business, per year, per sign22.00
- (3) Signs, billboards, or other structures advertising other than property owners own business, per year, per sign6.60
- (4) Automobile, advertising for profit, with or without loudspeaker, per day11.00

AGENCIES:

- (1) Real estate agencies, located within the corporate limits of the city66.00
- (2) Debt collection, per agent or collector66.00
- (3) Travel55.00

AGENTS:

- (1) Or brokers, for sale of stocks and bonds66.00
- (2) Insurance agents, solicitors or salesmen having an office in the city66.00

ANIMAL BOARDING33.00

ANTIQUES: Sales and repair (including used furniture)44.00

APARTMENT HOUSES: Each apartment, per year4.40

APPLIANCE REPAIRS:

- (1) Household appliances, air conditioners (fix-it shop)33.00
- (2) Major appliances (stoves, washing machines, dryers, water heaters) (includes item (1); including sales)66.00

ARTS AND CRAFTS33.00

ATTORNEY (Individual practice of law—law office located in the city)66.00

AUCTIONEERING: No license issued to a firm, but in each case to one person named who shall personally do the auctioneering, per year66.00

AUCTIONS: (For each 30 days66.00

AUDIO EQUIPMENT REPAIR33.00

AUTOMOBILE:

- (1) Garage repairs to automobiles, but not to include sale of gasoline and wrecker service44.00
(in conjunction with other licensed business)33.00
- (2) Paint and body shop33.00
- (3) Automobile parts sales66.00
- (4) Automobile machine shop33.00
- (5) Car wash (including self-service)33.00
- (6) Rentals66.00
- (7) Wrecker service33.00
- (8) Trim shop (upholstery mfg. and/or repair)44.00
- (9) Sale of automobiles:
 - a. New cars220.00
 - b. Used cars110.00

BAKERY PRODUCTS:

- (1) Doughnuts and coffee shop44.00
- (2) Doughnuts and coffee (only, to go)22.00
- (3) Dumpling manufacture and sales only22.00
- (4) Bread, pastries, cakes and cookies66.00

BANKS: Banking institutions, savings & loans220.00

BARBER SHOPS:

- (1) First chair22.00
- (2) For each additional chair (in use or not)11.00

BEAUTY SHOP:

- (1) First operator22.00
- (2) Each additional operator11.00

BICYCLE, SCOOTER, MOTORCYCLE: (only one license required)

- (1) Repairs only33.00
- (2) Sales, new or used (repairs not included)11.00

BOATS:

- (1) Boat repair (including motors)44.00
- (2) Boat sales (new or used)44.00
- (3) Boat trim: upholstery, tops, van tops44.00
- (4) Sail boat rentals and mfg44.00

BONDING COMPANIES: or persons, firms or corporations engaging in making bonds for profit110.00

BOOK AGENTS: Including magazines, periodicals, etc. (Note: permit must be obtained from police department prior to issuance of license44.00

BOOTS, SHOES:

- (1) Dealers, secondhand22.00
- (2) Makers and repairers33.00

BOWLING ALLEYS: For each alley22.00

BROKERS:

- (1) Dealing in stocks, bonds and other securities, other than bankers, per year66.00
- (2) Handling or clearing shipments of merchandise on consignment66.00
- (3) Merchandise agents or manufacturers representatives, carrying no stock66.00

BUILDING AND LOAN ASSOCIATION OR AGENTS THEREOF220.00

BUILDING MAINTENANCE MATERIALS: Sales of44.00

CABINET SHOP: Manufacture and sales (including custom built furniture)44.00

CARPET:

- (1) Carpet cleaning33.00
- (2) Carpet sales44.00

CARPET GOLF: Putt-putt golf44.00

CAR RENTAL: (See Automobiles)

CAR WASH: (See Automobiles)

CIVIL ENGINEER: or Surveyor66.00

COIN-OPERATED DEVICES: (Excluding postage stamp machines and \$0.05 and \$0.01 devices and any charitable organization device)

- (1) Each game machine (except pool tables22.00
- (2) Pool tables, any number66.00
- (3) Vending machines—vending food, gum, candy, nuts, ice, etc11.00
- (4) Soft drink vending machines, each11.00
- (5) Music boxes, each22.00
- (6) Cigarette dispensing machines, each22.00
- (7) Soaps, etc11.00

Note: License must be affixed to each machine in a conspicuous area on all coin-operated machines.

COMMUNICATIONS EQUIPMENT: Including repair and sales66.00

CONTRACTORS:

- (1) To include general construction, either on a fee basis, contract or salary basis110.00
- (2) Carpeting and/or plastic floor covering66.00
- (3) Electrical66.00
- (4) Exterminating, termiting, including spraying55.00
- (5) General contractors, Class AA, able to perform item (1) of this category plus additional scope of sewer and/or water systems, paving, etc165.00
- (6) Plumbing66.00
- (7) Painting55.00
- (8) Roofing66.00
- (9) Tile setting55.00
- (10) Plastering55.00
- (11) Masonry66.00
- (12) Concrete—forming foundations, driveways, etc.66.00
- (13) House wrecking or moving (to furnish bond)55.00
- (14) Air conditioning and heating and refrigeration66.00
- (15) Paving (asphalt, concrete, etc.)66.00
- (16) Siding, including repairs incidental to work55.00
- (17) Insulation (including "dry wall")55.00
- (18) Washing or cleaning houses, mechanically or by steam55.00
- (19) Welding—electric or acetylene, when not in conjunction with other business55.00
- (20) Tree surgery—trees and limb removal55.00

CURB MARKET: Fruit and vegetables22.00

DANCE STUDIOS33.00

DENTIST: (See Doctors)

DIVERS: Equipment sales, service, rental and school66.00

DOCTORS, PHYSICIANS, SURGEONS, MEDICAL CARE PROVIDERS:

- (1) Doctor—MD66.00
- (2) Osteopath66.00
- (3) Chiropractors, therapist, naturopath and acupuncturists66.00
- (4) Optical dispensary, alone or in conjunction with other business, where lenses are ground, prepared and fitted according to prescription and glasses repaired66.00
- (5) Optometrist and/or oculist66.00
- (6) Veterinarian66.00
- (7) Dentist66.00
- (8) Other medical care providers66.00

DRESS SHOP: (See Merchants)

DRY CLEANING PICKUP STATION: Alone or in conjunction with other business22.00

ELECTRICIANS: (See Contractors)

ELECTRONICS: Repair33.00

- (1) T.V. and radio repair, including sales (See also Communications)33.00
- (2) Including sales and services66.00

EQUIPMENT RENTAL:

- (1) Hand tools and household equipment44.00
- (2) Heavy equipment, including item (1) of this category110.00

EXTERMINATOR: (See Contractors)

FEED, SEED, FERTILIZER, ETC.66.00

FILM OR PHOTOGRAPH: Developing or finishing, local company, principal business55.00

FINANCE COMPANIES: Firms or corporations, liquidating accounts other than their own, whether purchased or not110.00

FLORIST33.00

If in connection with nursery44.00

FURNITURE:

- (1) New furniture sales (See Merchants)
- (2) Used furniture sales44.00
- (3) Repairs, including upholstery33.00

GAS: Liquid, bottled or tank service—Distribution or sales33.00

GASOLINE STATIONS: Dispensing gasoline, gasohol, kerosene, fuel oil, lubricating oil and related petroleum products:

- (1) First two pumps33.00
- (2) Each additional pump11.00

Note: This license does not allow the performance of repairs to automobiles nor the sale of merchandise other than shown in this category.

GEM SHOP44.00

GUNS: Dealer in guns and/or ammunition33.00

HEALTH OR MEDICAL CENTER110.00

HEATING FUEL DISTRIBUTOR: Kerosene and/or fuel oil55.00

HOTELS, MOTELS, APARTMENTS, TRAILER SPACES, RENTAL UNITS: Per space, room, apartment and/or rental unit, per year4.40

ICE SALES: Packaged, per year of11.00

(See license display instruction under Coin-Operated Devices)

INSURANCE:

- (1) Adjusters or rate makers33.00
- (2) Agency66.00
- (3) Companies doing business within the city (regardless of whether an office or agent is maintained with the city66.00

JEWELER: (See Merchants License)

LAND AND DEVELOPMENT COMPANIES: When not paying real estate, broker, contractor or builder license110.00

LAUNDERETTE: Self-service coin type:

- (1) First machine33.00
- (2) Each additional washer or dryer4.40

LAWYER: (See Attorney)

LOCKSMITH33.00

MANUFACTURING AND/OR ASSEMBLY PLANTS:

- (1) 1—10 employees88.00
- (2) 11—20 employees132.00
- (3) 21—30 employees176.00
- (4) Over 30 employees247.50

MARINAS: Rental, per year, having

- (1) 1—10 boat spaces33.00
- (2) 11—20 boat spaces44.00
- (3) 21—30 boat spaces88.00

(4) 31—40 boat spaces132.00

(5) 41 and over176.00

(6) Plus \$11.00 per gasoline pump

Note: This license does not permit repairs to boats or motors. See also Boats and Coin-Operated Devices, Ice Sales.

MARTIAL ARTS, School of, including Karate, Jujitsu, Judo, etc.44.00

MATTRESS MAKING44.00

MEDIUM, FORTUNE TELLER, PALMIST, ETC.330.00

MERCHANTS: (Other than those specifically mentioned; having a stock of merchandise, the value of which is:)

(1) \$600.00 or more, but less than \$4,000.0044.00

(2) \$4,001.00 but less than \$10,000.0088.00

(3) \$10,001.00 but less than \$20,000.00176.00

(4) \$20,001.00 but less than \$30,000.00198.00

(5) \$30,001.00 but less than \$50,000.00264.00

(6) More than \$50,000.00330.00

MOBILE HOME PARK OR SUBDIVISION PER MOBILE HOME LOT4.40

MOBILE HOME REPAIRS: (Only)66.00

MOBILE HOME SALES: Including campers, service, parts, accessories and repairs for trailers176.00

MONEY LENDERS: Short loan companies and all persons, firms or corporations, except banks or bankers whose business includes or consists of taking, buying or selling, assignment of wages or salaries, earned in the future, by any person, firm or corporation, per year220.00

NURSERIES: Landscapers, etc.33.00

OFFICE BUILDINGS: or others having offices or spaces to rent:

(1) For each office space, room, reception room or other space, per year4.40

PAWNBROKER: Anyone who lends money on the security of personal property pledged in his or her keeping110.00

Note: This license allows the sale only of property which has been pledged as security for a loan. (See Merchants License and Guns for sale of other merchandise carried in stock for sale. Also Coin Vending Devices)

PET SHOPS, AQUARIUMS, ETC.44.00

PINBALL MACHINES: (Or other coin-operated game machines)22.00

PRINT SHOP66.00

RADIO AND/OR TV REPAIR SHOP33.00

RESTAURANTS: Cafes, including drive-ins44.00

SEPTIC TANK CLEANERS33.00

SIGN PAINTERS33.00

SKATING RINKS66.00

(License required for sale of food) (See also Coin-Operated Devices)

SMALL ENGINE REPAIRS33.00

STORAGE WAREHOUSES:

(1) Mini-type, per unit, per year4.40

(2) Storage warehouses above 1,200 square feet66.00

STRIPPING SHOP44.00

TAXICABS:

(1) Two cabs or less33.00

(2) Each additional cab11.00

TAXIDERMIST33.00

TREE AND LIMB REMOVAL: (See Contractor)

WINDOW AND SCREEN REPAIRS33.00

WRECKER SERVICE33.00

MISCELLANEOUS66.00

Any person engaged in a lawful business occupation, or profession wholly or in part within the city where not otherwise provided for in this article.

(Ord. No. 08-331, § 1, 9-30-08)

Business Tax Receipts

City of Ft. Walton Beach

**City of Fort Walton Beach
Comprehensive Fee Schedule**

Ordinance 1729, Section 1-5 of the City Code of Ordinances, & Section 166.041 Florida Statutes			
APPENDIX A to Fee Schedule - BUSINESS TAXES			
Current Rates			Ordinance #, Effective Date
Agencies/Brokers (Insurance companies taxed separately-See insurance companies)			
Agencies/Brokers	\$189.00		Ordinance 1729, 10/1/2007
Banking and Lending Institutions (per location)			
	Main Location - \$254.00		Ordinance 1729, 10/1/2007
Banking and Lending Institutions	Each Additional Location - \$93.00		Ordinance 1729, 10/1/2007
	Each ATM Location - \$93.00		
Barber/Beauty/Cosmetology/Nail Technicians			
Barber/Beauty/Cosmetology, includes one barber/beautician	\$50.00, each additional - \$15.00		Ordinance 1729, 10/1/2007
Clairvoyants/Faith Healers			
To include but not limited to clairvoyants, mind readers, faith healers, divine healers, astrologists	\$254.00		Ordinance 1729, 10/1/2007
Communication Services			
To include Radio/Broadcast/Television Stations, and telegraphs, Telephone Cable Companies, Computer/Electronic communications	\$254.00		Ordinance 1729, 10/1/2007
	Daily - \$254.00		
Newspapers	Semiweekly - \$189.00		Ordinance 1729, 10/1/2007
	Weekly - \$126.00		
Other periodicals and publications, distributors or publishers	\$126.00		Ordinance 1729, 10/1/2007
Coin Operated Devices/Vending Machines			
To include but not limited to merchandise vending, service vending, and amusement vending. For businesses that operate amusement/vending machines.	\$30.00		Ordinance 1729, 10/1/2007
Vending Machines	\$10.00		Ordinance 1729, 10/1/2007
Coin Operated radio and television	\$10.00		Ordinance 1729, 10/1/2007
Businesses that supply vending machines - Vending Machine Companies	\$126.00		Ordinance 1729, 10/1/2007
Contractors			
Category A – General, Paving, Excavation/grading, Utilities, Demolition Contractors, Gas Fitters	\$189.00		Ordinance 1729, 10/1/2007
Category B – HVAC, Electrical, Plumbers, Pool, Roofing, Cement, Siding, Well Drilling, Alarm/Fire/Police, Pile driving.	\$126.00		Ordinance 1729, 10/1/2007
Category C – To include but not limited to: Landscaping, Pest Control, Tree, Painting, Cleaning Contractors, General Repair.	\$106.00		Ordinance 1729, 10/1/2007
Entertainment & Amusement:			
Amusement Parks	\$381.00, and \$46.00 for each additional ride		Ordinance 1729, 10/1/2007
Temporary Amusement Park	\$254.00		Ordinance 1729, 10/1/2007
Billiards and pool, up to and including 4th table	\$126.00 and \$24.00 for each additional table		Ordinance 1729, 10/1/2007
Bowling - for business and one alley	\$126.00 and \$24.00 for each additional alley		Ordinance 1729, 10/1/2007
Golf Courses and Driving Range	\$126.00		Ordinance 1729, 10/1/2007
Par 3	\$189.00		Ordinance 1729, 10/1/2007
Promoters or managers of entertainment, sport or contest of any kind for which an admission is charged.	\$126.00		Ordinance 1729, 10/1/2007
Auctioning (permanent or itinerant)	\$254.00		Ordinance 1729, 10/1/2007
Dance Halls	\$189.00		Ordinance 1729, 10/1/2007

**City of Fort Walton Beach
Comprehensive Fee Schedule**

	Current Rates	Ordinance #, Effective Date	
	Dog and Animal Exhibitions	\$93.00 per week/\$60.00 per day	Ordinance 1729, 10/1/2007
	Ferris Wheels alone	\$50.00	Ordinance 1729, 10/1/2007
	Theaters, per screen	\$60.00	Ordinance 1729, 10/1/2007
	Sideshows and Exhibitions	\$60.00	Ordinance 1729, 10/1/2007
	Skating Rinks	\$93.00	Ordinance 1729, 10/1/2007
Exhibition Facility			
	Convention Centers, hotels, shopping malls, open air markets, flea markets	\$381.00	Ordinance 1729, 10/1/2007
	Each exhibition, trade show or event, per booth, table, stand, exhibitor, etc	\$5.00 each, with a minimum fee of \$60.00	Ordinance 1729, 10/1/2007
Gas and Oil Dealers			
	Gasoline Filling or Service Stations	\$254.00	Ordinance 1729, 10/1/2007
	Dealer or Agent of chemical or gases other than fuel	\$254.00	Ordinance 1729, 10/1/2007
	Dealer or Agent of household fuel	\$126.00	Ordinance 1729, 10/1/2007
Insurance Agencies/Brokers			
	Agencies/Brokers	\$60.00	Ordinance 1729, 10/1/2007
	Each additional agent	\$60.00	Ordinance 1729, 10/1/2007
	Insurance Adjustors	\$60.00	Ordinance 1729, 10/1/2007
	Insurance Companies	\$60.00	Ordinance 1729, 10/1/2007
Junk Shops/Dealers in Junk/Recyclers			
	Junk Shops/Dealers in Junk/Recyclers	\$254.00	Ordinance 1729, 10/1/2007
Laundries/Dry Cleaners			
	Laundries/Dry cleaners	\$189.00	Ordinance 1729, 10/1/2007
	Laundry, self service	\$126.00	Ordinance 1729, 10/1/2007
	Laundry, self service/dry cleaners	\$189.00	Ordinance 1729, 10/1/2007
Manufacturing/Wholesalers/Distributors (see merchants)			
Marinas			
	Marinas	\$254.00	Ordinance 1729, 10/1/2007
Merchants			
	Merchants, based on number of employees	1 - 5 employees - \$60.00 6 - 20 employees - \$126.00 21 or more employees - \$221.00	Ordinance 1729, 10/1/2007
	Sundry sales at non-merchant businesses	\$15.00	Ordinance 1729, 10/1/2007
	Merchants, itinerant, per week	\$30.00	Ordinance 1729, 10/1/2007
Motor Vehicle & other RV activities			
	Auto dealers, franchised	\$425.00	Ordinance 1729, 10/1/2007
	Auto dealers, non-franchised	\$284.00	Ordinance 1729, 10/1/2007
	Each separate location	\$189.00	Ordinance 1729, 10/1/2007
	Boat dealers - franchised	\$284.00	Ordinance 1729, 10/1/2007
	Boat dealers - non-franchised	\$189.00	Ordinance 1729, 10/1/2007
	Trailer dealers	\$425.00	Ordinance 1729, 10/1/2007
Professional			
	Professionals – any person engaged in a business occupation or professional required to maintain an active and valid State of Florida, Department of Business Regulation, regulatory license, permit or certificate.	\$189.00	Ordinance 1729, 10/1/2007
Rentals			
	Rental units include hotels, motels, motor court apartments, rooming houses, trailers or mobile homes, trailer lots, convalescent homes, hospitals, warehouse storage, or parking lots:		Ordinance 1729, 10/1/2007
	Apartment houses, up to 4 units	\$60.00	Ordinance 1729, 10/1/2007
	Each unit thereafter, up to 10	\$10.00	Ordinance 1729, 10/1/2007
	Hotels/Motels, first 100 rooms	\$189.00	Ordinance 1729, 10/1/2007
	Second 100 rooms, each unit	\$3.00	Ordinance 1729, 10/1/2007
	Next 100 rooms, each unit	\$2.00	Ordinance 1729, 10/1/2007
	Next 20 rooms, each unit	\$1.00	Ordinance 1729, 10/1/2007
	Cigar and Newsstands	\$35.00	Ordinance 1729, 10/1/2007

**City of Fort Walton Beach
Comprehensive Fee Schedule**

		Current Rates	Ordinance #, Effective Date
	Warehouse Storage, per 1,000 sq ft	\$6 per 1,000 sq ft, with a minimum fee of \$126.00	Ordinance 1729, 10/1/2007
	Trailer Parks	\$60.00, with an additional \$2.00 for each trailer space	Ordinance 1729, 10/1/2007
Restaurants/Lounges			Ordinance 1729, 10/1/2007
	Any business preparing food for consumption and required to have a State Restaurant License shall also be required to secure a Restaurant Business Tax Receipt in addition to any other Business Tax Receipt required by this code.	Restaurant/Lounge, first 100 seats \$126.00 seats greater than 100 each \$1.00 In addition: Curb Service - \$126.00 Drive-up Window, per window - \$60.00 Lounge on premises - \$126.00	Ordinance 1729, 10/1/2007
Schools			Ordinance 1729, 10/1/2007
	To include barber/beauty schools, nursery, dance, music, driving, business colleges etc.	\$60.00	Ordinance 1729, 10/1/2007
Services			Ordinance 1729, 10/1/2007
	To include, but not limited to Consultants, Medical clinics or centers, Auto repair shops, Wrecker services, Bakeries, Funeral homes, Ambulance Services, Boats or automobiles for hire, Building supplies, Bonding companies	\$126.00	Ordinance 1729, 10/1/2007
Taxicabs			Ordinance 1729, 10/1/2007
	Taxicabs	\$60.00	Ordinance 1729, 10/1/2007
Not otherwise provided			Ordinance 1729, 10/1/2007
	Any business not specifically listed will be placed in a category of nearest similarity. In the event that no category of similarity can be determined, then a category will be established for the business and be charged a fee	\$254.00	Ordinance 1729, 10/1/2007

Business Tax Receipts

City of Live Oak

ORDINANCE NO. 848

AN ORDINANCE AMENDING SECTION 11-11A THROUGH W OF THE CODE OF ORDINANCE OF THE CITY OF LIVE OAK, FLORIDA BY INCREASING IN SOME INSTANCES AND DECREASING IN SOME INSTANCES THE TAX WHICH SHALL BE PAID TO THE CITY BY PERSONS OR ENTITIES ENGAGING IN, MANAGING, OR TRANSACTING THE BUSINESSES, OCCUPATIONS OR PROFESSIONS SET FORTH THEREIN.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LIVE OAK, FLORIDA:

SECTION 1. That the fees heretofore provided for in Section 11-11A through 11-11W are hereby repealed and the following charges are substituted in lieu and placed thereof:

CATEGORY NO. 1 -----\$45.00

COFFEE SERVICE
ENGRAVING
ERRAND SERVICE
LOCKSMITH
TAVERN
WATER SERVICE
WEIGHT CONTROL PROGRAM
SEWING & ALTERATIONS

CATEGORY NO. 2 -----\$75.00

ADVERTISING SIGNS
APPLIANCE REPAIR SERVICE
APPRAISERS
AUTO BODY SHOP
AUTO DETAILING
BAKERY PRODUCT DISTRIBUTORS
BARBER SHOPS
BEAUTY SALONS
BOOKKEEPING SERVICES
BUS LINE OFFICE
CABINET MAKING
CAR WASHES
CARPET CLEANING
CONCRETE PRODUCTS
COUNSELING
CUSTOM PRINTERS
DAIRY PRODUCT DELIVERIES
DANCE STUDIOS
DAY CARE CENTERS
ELECTRONIC SALES & SERVICE
FITNESS CENTER
FLEA MARKETS
FLOOR INSTALLATIONS
FOOD SERVICES (CATERING)
RENTAL SERVICES
GAME MACHINES (EACH MACHINE OR DEVICE)
GLASS SALES & SERVICES
CONSULTANT
HOME REPAIR SERVICES

CATEGORY NO. 2 ----- \$75.00

TAX PREPARATION SERVICE
INSULATION CONTRACTORS
INTERIOR DESIGN
INVESTMENT BROKERS
JANITORIAL SERVICE
LAND CLEARING
LAND SURVEYORS
LAUNDROMATS
LAWN MAINTENANCE
LINEN SERVICES
MACHINE SHOP
MOBILE FOOD VENDORS
MOBILE HOME PARKS
NEWSPAPER PUBLICATION
PAWN SHOP OPERATORS
PHOTOGRAPHY STUDIOS
POOL INSTALLATION
PRECAST
PRESSURE CLEANING
PROBATION SERVICES
RECYCLED MATERIALS OPERATIONS
HEATING & A/C
REPAIR SERVICES (APPLIANCE, HOME)
RESERVATION SERVICES
TRAVEL AGENCY
SERVICE STATION
SHEET METAL
TREE SURGEONS
UPHOLSTERY
VIDEO RENTALS
TAXI SERVICE
STORAGE WAREHOUSES
TELEGRAM SERVICES
SMALL RESTAURANTS (SEAT 50 OR LESS)

CATEGORY NO. 3 ----- 112.50

BANKING INSTITUTION
HOME HEALTH CARE SERVICES
MENTAL HEALTH CARE
PHYSICAL THERAPY
RADIO BROADCASTING
VOCATIONAL EVALUATION TESTING
INSURANCE AGENCY/COMPANY
REAL ESTATE AGENCY
APARTMENT COMPLEX 150.00
BEER TAVERNS & LOUNGES
FUNERAL HOMES
GAS SALES
MEDICAL TRANSPORTATION
WAREHOUSES 150.00

CATEGORY NO. 4 ----- 157.50

CONTRACTORS, ELECTRICAL
CONTRACTORS, RESIDENTIAL
CONTRACTORS, HEATING & A/C
CONTRACTORS, MASONRY
CONTRACTORS, ROOFING
CONTRACTORS, TILE
CONTRACTORS, PLUMBING
CONTRACTORS, PAINTING

CATEGORY NO. 5	-----	\$225.00
	ACCOUNTANTS	
	ARCHITECT	
	ATTORNEY	
	CABLE T.V. COMPANY	
	FINANCE COMPANY	
	DENTIST	
	ELECTRIC COMPANY	
	ENGINEER	
	FEED MILL	
	GENERAL CONTRACTORS	
	MEDICAL DOCTORS	
	OPTOMETRIST	
	PALM READER	
	PETROLEUM PRODUCTS DISTRIBUTOR	
	RAILROAD LINE	
	RESTAURANT	225.00
	TELEPHONE COMPANY	
	TIMBER DEALER	
	ABSTRACT & TITLE SERVICE	
	VETERNARIAN	
	WASTE MANAGEMENT	
	MOTELS - HOTELS	225.00

CATEGORY NO. 6	-----	300.00
	NURSING HOME FACILITIES	

CATEGORY NO. 7	-----	
	OTHER MERCHANT CATEGORIES WITH INVENTORIES	
	UNDER 10,000	\$56.25
	10,000----50,000	75.00
	50,001 --100,000	100.00
	100,001--150,000	125.00
	150,001--200,000	150.00
	200,001--250,000	175.00
	250,001--300,000	200.00
	300,001--350,000	225.00
	350,001--400,000	250.00
	400,001--450,000	275.00
	450,001--500,000	300.00
	500,001--550,000	325.00
	550,001--600,000	350.00
	600,001--650,000	375.00
	650,001--700,000	400.00
	700,001--750,000	425.00
	750,001--1,000,000	450.00
	1,000,000--1,250,000	475.00
	1,250,000--1,500,000	500.00
	EACH \$250,000 INCREMENT AN ADDITIONAL	25.00

ADOPTED by the City Council of the City of Live Oak,
Florida, at a recessed meeting held July 26, 1994.

Bennie Thomas
President, City Council

ATTEST:
[Signature]
City Clerk

APPROVED this day of 26th,
1994.

[Signature]
Mayor

Read and adopted on its first reading June 14, 1994 .
Noticed in Suwannee Democrat June 29 and July 6, 1994 .
Finally adopted at recessed meeting July 26, 1994 .

Business Tax Receipts

City of Parker

Sec. 18-51. - Amount of fees.

The amount of business license fees levied and imposed hereunder are hereby fixed at the following rates or amounts:

ABSTRACT COMPANIES: Person or persons, firms, corporations or associations preparing abstracts and charging a fee therefore or giving legal advice with such abstracts, per year\$66.00

ACCOUNTING FIRMS: (including Tax Form Service)66.00

ADDING MACHINES: To include calculators, computers and other business machines, agents, representatives or dealers, where principal business includes repairs and sales, per year44.00

ADVERTISING AGENTS OR AGENCY:

- (1) Persons, firms or corporations66.00
- (2) Signs, electrical or mechanical advertising other than licensed agency's own business, per year, per sign22.00
- (3) Signs, billboards, or other structures advertising other than property owners own business, per year, per sign6.60
- (4) Automobile, advertising for profit, with or without loudspeaker, per day11.00

AGENCIES:

- (1) Real estate agencies, located within the corporate limits of the city66.00
- (2) Debt collection, per agent or collector66.00
- (3) Travel55.00

AGENTS:

- (1) Or brokers, for sale of stocks and bonds66.00
- (2) Insurance agents, solicitors or salesmen having an office in the city66.00

ANIMAL BOARDING33.00

ANTIQUES: Sales and repair (including used furniture)44.00

APARTMENT HOUSES: Each apartment, per year4.40

APPLIANCE REPAIRS:

- (1) Household appliances, air conditioners (fix-it shop)33.00
- (2) Major appliances (stoves, washing machines, dryers, water heaters) (includes item (1); including sales)66.00

ARTS AND CRAFTS33.00

ATTORNEY (Individual practice of law—law office located in the city)66.00

AUCTIONEERING: No license issued to a firm, but in each case to one person named who shall personally do the auctioneering, per year66.00

AUCTIONS: (For each 30 days66.00

AUDIO EQUIPMENT REPAIR33.00

AUTOMOBILE:

- (1) Garage repairs to automobiles, but not to include sale of gasoline and wrecker service44.00
(in conjunction with other licensed business)33.00
- (2) Paint and body shop33.00
- (3) Automobile parts sales66.00
- (4) Automobile machine shop33.00
- (5) Car wash (including self-service)33.00
- (6) Rentals66.00
- (7) Wrecker service33.00
- (8) Trim shop (upholstery mfg. and/or repair)44.00
- (9) Sale of automobiles:
 - a. New cars220.00
 - b. Used cars110.00

BAKERY PRODUCTS:

- (1) Doughnuts and coffee shop44.00
- (2) Doughnuts and coffee (only, to go)22.00
- (3) Dumpling manufacture and sales only22.00
- (4) Bread, pastries, cakes and cookies66.00

BANKS: Banking institutions, savings & loans220.00

BARBER SHOPS:

- (1) First chair22.00
- (2) For each additional chair (in use or not)11.00

BEAUTY SHOP:

- (1) First operator22.00
- (2) Each additional operator11.00

BICYCLE, SCOOTER, MOTORCYCLE: (only one license required)

- (1) Repairs only33.00
- (2) Sales, new or used (repairs not included)11.00

BOATS:

- (1) Boat repair (including motors)44.00
- (2) Boat sales (new or used)44.00
- (3) Boat trim: upholstery, tops, van tops44.00
- (4) Sail boat rentals and mfg44.00

BONDING COMPANIES: or persons, firms or corporations engaging in making bonds for profit110.00

BOOK AGENTS: Including magazines, periodicals, etc. (Note: permit must be obtained from police department prior to issuance of license44.00

BOOTS, SHOES:

(1) Dealers, secondhand22.00

(2) Makers and repairers33.00

BOWLING ALLEYS: For each alley22.00

BROKERS:

(1) Dealing in stocks, bonds and other securities, other than bankers, per year66.00

(2) Handling or clearing shipments of merchandise on consignment66.00

(3) Merchandise agents or manufacturers representatives, carrying no stock66.00

BUILDING AND LOAN ASSOCIATION OR AGENTS THEREOF220.00

BUILDING MAINTENANCE MATERIALS: Sales of44.00

CABINET SHOP: Manufacture and sales (including custom built furniture)44.00

CARPET:

(1) Carpet cleaning33.00

(2) Carpet sales44.00

CARPET GOLF: Putt-putt golf44.00

CAR RENTAL: (See Automobiles)

CAR WASH: (See Automobiles)

CIVIL ENGINEER: or Surveyor66.00

COIN-OPERATED DEVICES: (Excluding postage stamp machines and \$0.05 and \$0.01 devices and any charitable organization device)

(1) Each game machine (except pool tables22.00

(2) Pool tables, any number66.00

(3) Vending machines—vending food, gum, candy, nuts, ice, etc11.00

(4) Soft drink vending machines, each11.00

(5) Music boxes, each22.00

(6) Cigarette dispensing machines, each22.00

(7) Soaps, etc11.00

Note: License must be affixed to each machine in a conspicuous area on all coin-operated machines.

COMMUNICATIONS EQUIPMENT: Including repair and sales66.00

CONTRACTORS:

- (1) To include general construction, either on a fee basis, contract or salary basis110.00
- (2) Carpeting and/or plastic floor covering66.00
- (3) Electrical66.00
- (4) Exterminating, termiting, including spraying55.00
- (5) General contractors, Class AA, able to perform item (1) of this category plus additional scope of sewer and/or water systems, paving, etc165.00
- (6) Plumbing66.00
- (7) Painting55.00
- (8) Roofing66.00
- (9) Tile setting55.00
- (10) Plastering55.00
- (11) Masonry66.00
- (12) Concrete—forming foundations, driveways, etc.66.00
- (13) House wrecking or moving (to furnish bond)55.00
- (14) Air conditioning and heating and refrigeration66.00
- (15) Paving (asphalt, concrete, etc.)66.00
- (16) Siding, including repairs incidental to work55.00
- (17) Insulation (including "dry wall")55.00
- (18) Washing or cleaning houses, mechanically or by steam55.00
- (19) Welding—electric or acetylene, when not in conjunction with other business55.00
- (20) Tree surgery—trees and limb removal55.00

CURB MARKET: Fruit and vegetables22.00

DANCE STUDIOS33.00

DENTIST: (See Doctors)

DIVERS: Equipment sales, service, rental and school66.00

DOCTORS, PHYSICIANS, SURGEONS, MEDICAL CARE PROVIDERS:

- (1) Doctor—MD66.00
- (2) Osteopath66.00
- (3) Chiropractors, therapist, naturopath and acupuncturists66.00
- (4) Optical dispensary, alone or in conjunction with other business, where lenses are ground, prepared and fitted according to prescription and glasses repaired66.00
- (5) Optometrist and/or oculist66.00
- (6) Veterinarian66.00
- (7) Dentist66.00
- (8) Other medical care providers66.00

DRESS SHOP: (See Merchants)

DRY CLEANING PICKUP STATION: Alone or in conjunction with other business22.00

ELECTRICIANS: (See Contractors)

ELECTRONICS: Repair33.00

(1) T.V. and radio repair, including sales (See also Communications)33.00

(2) Including sales and services66.00

EQUIPMENT RENTAL:

(1) Hand tools and household equipment44.00

(2) Heavy equipment, including item (1) of this category110.00

EXTERMINATOR: (See Contractors)

FEED, SEED, FERTILIZER, ETC.66.00

FILM OR PHOTOGRAPH: Developing or finishing, local company, principal business55.00

FINANCE COMPANIES: Firms or corporations, liquidating accounts other than their own, whether purchased or not110.00

FLORIST33.00

If in connection with nursery44.00

FURNITURE:

(1) New furniture sales (See Merchants)

(2) Used furniture sales44.00

(3) Repairs, including upholstery33.00

GAS: Liquid, bottled or tank service—Distribution or sales33.00

GASOLINE STATIONS: Dispensing gasoline, gasohol, kerosene, fuel oil, lubricating oil and related petroleum products:

(1) First two pumps33.00

(2) Each additional pump11.00

Note: This license does not allow the performance of repairs to automobiles nor the sale of merchandise other than shown in this category.

GEM SHOP44.00

GUNS: Dealer in guns and/or ammunition33.00

HEALTH OR MEDICAL CENTER110.00

HEATING FUEL DISTRIBUTOR: Kerosene and/or fuel oil55.00

HOTELS, MOTELS, APARTMENTS, TRAILER SPACES, RENTAL UNITS: Per space, room, apartment and/or rental unit, per year4.40

ICE SALES: Packaged, per year of11.00

(See license display instruction under Coin-Operated Devices)

INSURANCE:

- (1) Adjusters or rate makers33.00
- (2) Agency66.00
- (3) Companies doing business within the city (regardless of whether an office or agent is maintained with the city66.00

JEWELER: (See Merchants License)

LAND AND DEVELOPMENT COMPANIES: When not paying real estate, broker, contractor or builder license110.00

LAUNDERETTE: Self-service coin type:

- (1) First machine33.00
- (2) Each additional washer or dryer4.40

LAWYER: (See Attorney)

LOCKSMITH33.00

MANUFACTURING AND/OR ASSEMBLY PLANTS:

- (1) 1—10 employees88.00
- (2) 11—20 employees132.00
- (3) 21—30 employees176.00
- (4) Over 30 employees247.50

MARINAS: Rental, per year, having

- (1) 1—10 boat spaces33.00
- (2) 11—20 boat spaces44.00
- (3) 21—30 boat spaces88.00
- (4) 31—40 boat spaces132.00
- (5) 41 and over176.00
- (6) Plus \$11.00 per gasoline pump

Note: This license does not permit repairs to boats or motors. See also Boats and Coin-Operated Devices, Ice Sales.

MARTIAL ARTS, School of, including Karate, Jujitsu, Judo, etc.44.00

MATTRESS MAKING44.00

MEDIUM, FORTUNE TELLER, PALMIST, ETC.330.00

MERCHANTS: (Other than those specifically mentioned; having a stock of merchandise, the value of which is:)

- (1) \$600.00 or more, but less than \$4,000.0044.00
- (2) \$4,001.00 but less than \$10,000.0088.00
- (3) \$10,001.00 but less than \$20,000.00176.00

- (4) \$20,001.00 but less than \$30,000.00198.00
- (5) \$30,001.00 but less than \$50,000.00264.00
- (6) More than \$50,000.00330.00

MOBILE HOME PARK OR SUBDIVISION PER MOBILE HOME LOT4.40

MOBILE HOME REPAIRS: (Only)66.00

MOBILE HOME SALES: Including campers, service, parts, accessories and repairs for trailers176.00

MONEY LENDERS: Short loan companies and all persons, firms or corporations, except banks or bankers whose business includes or consists of taking, buying or selling, assignment of wages or salaries, earned in the future, by any person, firm or corporation, per year220.00

NURSERIES: Landscapers, etc.33.00

OFFICE BUILDINGS: or others having offices or spaces to rent:

- (1) For each office space, room, reception room or other space, per year4.40

PAWNBROKER: Anyone who lends money on the security of personal property pledged in his or her keeping110.00

Note: This license allows the sale only of property which has been pledged as security for a loan. (See Merchants License and Guns for sale of other merchandise carried in stock for sale. Also Coin Vending Devices)

PET SHOPS, AQUARIUMS, ETC.44.00

PINBALL MACHINES: (Or other coin-operated game machines)22.00

PRINT SHOP66.00

RADIO AND/OR TV REPAIR SHOP33.00

RESTAURANTS: Cafes, including drive-ins44.00

SEPTIC TANK CLEANERS33.00

SIGN PAINTERS33.00

SKATING RINKS66.00

(License required for sale of food) (See also Coin-Operated Devices)

SMALL ENGINE REPAIRS33.00

STORAGE WAREHOUSES:

- (1) Mini-type, per unit, per year4.40
- (2) Storage warehouses above 1,200 square feet66.00

STRIPPING SHOP44.00

TAXICABS:

- (1) Two cabs or less33.00

(2) Each additional cab11.00

TAXIDERMIST33.00

TREE AND LIMB REMOVAL: (See Contractor)

WINDOW AND SCREEN REPAIRS33.00

WRECKER SERVICE33.00

MISCELLANEOUS66.00

Any person engaged in a lawful business occupation, or profession wholly or in part within the city where not otherwise provided for in this article.

(Ord. No. 08-331, § 1, 9-30-08)

Business Tax Receipts

City of Venice

City of Venice – Business License Fees

Sec. 66-118. - Schedule.

The amount that shall be paid by the persons engaged in or managing businesses, professions or occupations for which a local business tax receipt is required under this article is hereby fixed per annum, unless otherwise specified, according to the following schedule and subject to the provisions of this article:

Amusements: See schedule A.

Automobiles, trucks, boats and aircraft:

- (1) Service businesses: See schedule A.
- (2) Fuel distribution service: See schedule A.
- (3) Dealers: See schedule A.
- (4) Marinas (includes 15 rental spaces)\$ 50.00
Each rental space over 151.00
- (5) Parking lots (includes 15 rental spaces)50.00
Each rental space over 151.00
- (6) Storage: See schedule C.

A separate local business tax receipt is required for each business as listed in subsections (1) through (6) of this subsection.

Contractors/land developers: See schedule A.

Flea markets: See schedule C. In addition, each vendor must obtain a local business tax receipt.

Food and/or beverage service establishments:

- (1) Restaurants, lounges, bars, dancehalls, delicatessens, bakeries and snack bars:
 - a. Seating from 0—30 persons50.00
 - b. Seating from 31—60 persons100.00
 - c. Seating from 61—100 persons150.00
 - d. Seating from 101—149 persons200.00
 - e. Seating over 149 persons 250.00
- (2) Catering and/or food delivery50.00
- (3) Mobile operations using the public right-of-way, including, but not limited to, ice cream trucks and hot dog carts, with no fixed base location in the city limits, per vehicle50.00

A separate local business tax receipt is required for each business as listed in subsections (1) through (3) of this subsection.

Home occupations50.00

Hotels, motels, apartments: See schedule B.

Insurance companies100.00

Laundromats:

1 to 10 machines50.00

Each machine over 102.00

Manufactured home parks: See schedule B.

City of Venice – Business License Fees

Manufacturing: See schedule A.

Merchants, retail/wholesale: See schedule A. Any sales incidental to a business do not require an additional merchants, retail/wholesale local business tax receipt.

Other: See schedule A.

Personal care facilities: \$5.00 per bed with a minimum local business tax of \$50.00.

Professionals: See schedule A. Each professional shall obtain a local business tax receipt.

Real estate: See schedule A for the following:

- (1) Appraiser.
- (2) Community association management (CAM).
- (3) Property management, other.
- (4) Real estate broker (includes sales and rentals).

Residential rental units: Per unit (condominiums, duplexes, homes)20.00

Units with rental periods of six months or less by an owner or unlicensed agent are required to obtain a local business tax receipt.

Service businesses: See schedule A.

Solicitors: See schedule A.

- (1) No separate local business tax receipt is required for an established business that pays a local business tax to the city.
- (2) In addition, when the solicitor is not a city resident and the business does not have a local business tax receipt, the business must post a \$1,000.00 bond.

Special events: Approved by city council, per day75.00

(Includes all activities approved for the special event.)

Specialty: Including, but not limited to, adult entertainment, escort services, fortunetellers, pawnbrokers and tattoo parlors250.00

Storage: See schedule C.

Vending machines: \$10.00 per machine, with a minimum local business tax of \$50.00. No local business tax receipt is required when the machine is owned and operated by a business that has a current local business tax receipt.

SCHEDULE A

- (a) 1 to 5 employees\$ 50.00
- (b) 6 to 10 employees100.00
- (c) 11 to 30 employees150.00
- (d) 31 to 50 employees200.00
- (e) 51 to 100 employees250.00
- (f) Over 100 employees300.00

In those instances where the local business tax is based on the number of employees, the term "employee" includes, but is not limited to, partners, principals, full-time, part-time and temporary employees, and subcontractors and independent contractors working exclusively for this business. The tax for new businesses is based on the number of employees at the date of opening.

City of Venice – Business License Fees

SCHEDULE B

- (a) 1 to 10 units\$ 50.00
- (b) 11 to 30 units100.00
- (c) 31 to 50 units150.00
- (d) 51 to 100 units200.00
- (e) 101 to 150 units300.00
- (f) 151 to 200 units400.00
- (g) Each unit over 200 units2.00

SCHEDULE C

First 5,000 square feet50.00

Each additional 10,000 square feet or fraction thereof50.00

General notes:

- (1) Any person whose profession is regulated by the state department of business and professional regulation or any board or commission must exhibit an active state certificate, registration or license prior to issuance of the local business tax receipt.
- (2) Each legal entity is required to have a separate local business tax receipt.
- (3) A business may be required to have more than one local business tax receipt based on the scope of operations and legal structure.
- (4) Operations incidental to the business may not require an additional local business tax receipt.
- (5) Any not-for-profit organization that files an unrelated business income tax return is not exempt from the local business tax.
- (6) Businesses conducted on public property must have approval of the city prior to issuance of the local business tax receipt.

(Ord. No. 2007-35, § 1, 8-28-07; Ord. No. 2010-09, § 1, 6-8-10)

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: CITY CLERK'S OFFICE QUARTERLY REPORT AND PEC BOARD REQUEST

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 OF CITY CLERK'S OFFICE QUARTERLY REPORT AND REQUEST TO REMAIN ON THE FLORIDA ASSOCIATION OF CITY CLERK'S PROFESSIONAL EDUCATION BOARD

ATTACHMENT:

- QUARTERLY REPORT
- MEMO TO MAYOR & COMMISSION

5. **REQUESTED MOTION/ACTION:**

Discussion and/or Direction to Staff



MEMORANDUM

TO: HONORABLE MAYOR & COMMISSION
 FROM: JANICE L. PETERS, MMC, CITY CLERK
 SUBJECT: QUARTERLY REPORT - 4TH QUARTER - FY2014/15
 DATE: October 7, 2015

Description	August	September	Quarterly Totals	Notes
Agendas Processed	5	8	13	
Bids			0	Assumed Bid Process from Finance
Board Applications			0	
Checks Mailed		169	169	Assumed From Finance for Oversight per Auditors
Citizen Phone Calls	3	4	7	
Commission Requests		6	6	
Conferences Attended			0	
Contract/Agreements	1	2	3	Procured BIS Digital Contract - Recording
IT Issues		6	6	Assumed Main IT Contact person
Lien Searches		23	23	Assumed from Utility Billing
Liens Recorded			0	
Meetings	5	8	13	
Minutes Processed	4	5	9	
Newsletter	0	0	0	Assuming Monthly Newsletter Production
Notary		1	1	
Ordinances			0	
Proclamations	1		1	
Public Notices		1	1	Assumed Public Notices from Attorney/Finance
Records Destroyed			0	
Records Stored			0	
Records Requests	4	1	5	
Resolutions		5	5	
Sign Updates	7	9	16	
Staff Mtgs.	3	3	6	
Vendor Mtgs.	2		2	
Webinars	2	1	3	Trim; Granicus; CRA Requirements
			0	
			0	
			0	
			0	



MEMORANDUM

TO: HONORABLE MAYOR & COMMISSION

FROM: JANICE L. PETERS, MMC, CITY CLERK 

DATE: OCTOBER 19, 2015

SUBJECT: PROFESSIONAL EDUCATION BOARD (PEC)

For the past 2 years I have served on the Florida Association of City Clerk's PEC Board. We meet quarterly and plan the conferences and webinars taught by FACC for the certification of City Clerks. We work within the budget provided by the Florida League of Cities to plan what will be taught and to schedule speakers to teach those classes.

I wrestled with the idea of resigning, but at the last conference I was asked if I could please continue on the board. I do want to give back and be here for other City Clerks just starting out. So, my request is to be able to continue on the PEC board. Our next meeting would be November 6th in Orlando, it varies as to location but they only meet quarterly, and always on a Friday. I would be willing to pay the costs of attending these meetings on my own if necessary (travel and 1 night's hotel if it is on the east coast) and would need to leave by 1:00 p.m. on Thursday before the day of the meeting for travel as the meetings begin on Friday at 10:00 a.m. and continue to 3:30 or 4:00 p.m. Currently, as long as I still have my place in Brooksville, it is a good stopping off point in lieu of a hotel expense.

I also serve as a mentor for other City Clerks, which means they can call me if they need help with procedures, etc.

My work with the City of course comes first and will not suffer because of it. I appreciate your consideration in this matter and of course, will abide by your wishes.

Thanks so much.

**CITY OF CALLAWAY
BOARD OF COMMISSIONERS
AGENDA ITEM SUMMARY**

DATE: OCTOBER 27, 2015

ITEM: TRAVEL POLICY

1. PLACED ON AGENDA BY:
Pamn Henderson, Commissioner Ward II

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)

Discuss/clarify travel and training for probationary employees. To aid discussion, relevant portions of the Personnel Manual are attached.

ATTACHMENT:

- SECTION 5.01 OF THE PERSONNEL MANUAL
- SECTION 6.14 AND SECTION 6.20 OF THE PERSONNEL MANUAL

5. REQUESTED MOTION/ACTION:

Discussion and/or Direction to Staff

5.01 - PROBATIONARY PERIOD

The probationary or "working test" period is utilized to observe the new employee's work, to secure the most effective adjustment of a new employee to the position and to reject any employee whose performance does not meet the required work standards.

The probationary period for all employees will be for one (1) year from the first day of work. This allows time for new employees to adjust to their new job and provides the supervisor an opportunity to evaluate job performance. At the discretion of the City Manager, where there are concerns regarding job performance, an employee may have the probation period extended for a period up to ninety (90) days. An employee may be released from employment any time during this period

New employees, or employees in a new position, will receive a written evaluation at thirty (30) days, ninety (90) days and one-hundred eighty (180) days of employment. Evaluations will be prepared by the immediate supervisor with Department Head's approval, and given to the City Manager for review. A copy will be provided to the Human Resources Director for inclusion in personnel files within five (5) working days of the set (30, 90, 180) day intervals.

During the probationary period, the employee's Department Head will notify the employee if performance is not satisfactory and the job requirements are not being met. If a probationary employee has been found to be unqualified to perform, or will not or cannot properly perform the duties of the position, the employee shall be dismissed by the Department Head at the time of such determination.

Upon successful completion of this probationary period, all nonexempt employees, and certain exempt classified employees, gain permanent status.

6.14 - LEAVES OF ABSENCE

The City of Callaway recognizes various types of leave necessary to accommodate personnel, military, and civic responsibilities.

6.14(A) - FUNERAL LEAVE

- A. All full time regular employees (including probationary employees) will be allowed time off from scheduled work days to attend the funeral involving the employee's spouse, child, father, mother, biological grandparents, brother, sister, father-in-law, and mother-in-law, brother-in-law, and sister-in-law (the aforementioned definition includes biological or step). Pay for such funeral leave shall be limited to three consecutive working days. Fire Department staff shall be limited to one shift (24 hours).
- B. In the event of the death of a co-worker or a community civic leader, a City employee may be granted, upon approval of the City Manager, time off with pay not to exceed three (3) hours in order to attend local funeral services.
- C. Authorized funeral leave shall not be charged to any other leave account.
- D. Should an employee require additional time other than provided above, he/she may request additional time from his/her Department Head. Upon

approval, any additional time used may be charged to his/her accrued annual leave.

- E. At the discretion of the department head, an employee may be required to provide proof of death in family, as defined above, before compensation is approved.

6.14(B) – MILITARY LEAVE

- A. Military leave of absence occurs when an employee leaves his/her job to enter military service. Such employees are guaranteed re-employment rights and other pay and job protection under federal law. The City is obligated under the Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) to grant leave to employees to serve in the U.S. Armed Forces, the various reserve units or the National Guard under federal orders.
- B. Upon completion of military service, employees are entitled to be restored to their former jobs with full seniority, or to a position offering the same pay, rank and seniority.
- C. Along with protecting employees' pre-service rate of pay, federal law mandates that returning service personnel be given any general increases, length-of-service, or cost-of-living pay hikes they would have received had their employment not been interrupted by military duty.
- D. Military leave will be granted upon the following conditions:
 - a. The employee has received notification from proper authority or voluntarily enlists in military service.
 - b. A verified copy of the official notification of induction or recall to military is presented to the City. A record of this notice will be placed in the employee's personnel file.
 - c. Employees in the active reserves or National Guard who attend summer camp or other training exercises will be granted leave with pay in accordance with Florida Statutes. Paid leave may not exceed seventeen (17) working days in any annual period beginning October 1 and ending September 30. Leaves in excess of the above shall be charged as annual leave or leave without pay. A copy of official orders must be submitted to the employee's department head in advance of granting such leave.
 - d. Upon resumption of active employment with the City, the employee will be given credit for acceptable service performed prior to entering the military for length of service purposes, and for pension purposes when the pension law is complied with. Employees shall be given benefit of any range increases granted for the position vacated during military absence.

6.14(C) – CIVIL LEAVE / JURY DUTY

- A. An employee shall be given time off without loss of pay when performing jury duty, when subpoenaed to appear before a court, public body or commission, or when performing emergency civilian duty in connection with national defense. **The employee must attach proof by copy of summons to the absence sheet and submit with timesheet to pay Administrative Leave at the regular rate of pay.**
- B. Supplementary pay received by jurors or witnesses for such duties will become the property of the employee rendering the service.
- C. Leave for court attendance when the employee is engaged in personal litigation shall be charged to the employee's Annual Leave Account.
- D. Employees are expected to report back to their supervisor for active work on any such days when the employee is excused by the court in time to work as much as fifty percent (50%) of the remaining work day.

6.14(D) - ADMINISTRATIVE LEAVE

An employee may be granted no more than 1 day administrative leave per month by the City Manager.

- A. In granting administrative leave for any purpose under this section, the Commission and City Manager should take into consideration the impact of such leave on the City functions.
- B. If an employee does not use administrative leave as authorized in this section, the employee shall not accrue or be paid for such leave. Use of leave under false pretenses, or non-compliance with this policy, may be grounds for disciplinary action up to and including termination.
- C. Commission/Mayor shall grant administrative leave to the City Manager at their discretion.

6.14(E) - EDUCATIONAL/CONFERENCE LEAVE

A full time permanent employee can be given educational leave, with full pay (or partial pay) during working hours for the purpose of taking courses directly related to their work as determined by the appropriate department head and the City Manager. Requests for such leave must be authorized in advance and they may not exceed a total of ten days in any one calendar year, except as may be approved by the City Manager.

6.14(F) - LEAVE TO TAKE EXAMINATIONS

An employee can be granted leave with pay while taking examinations before a federal, state, or other governmental agency, provided such examinations are pertinent to City employment.

6.14(G) - LEAVE OF ABSENCE WITHOUT PAY

- A. The City Manager may grant a full time permanent employee a leave of absence without pay up to four (4) months length, under circumstances warranting such action.
- B. Failure of an employee to return to duty upon the expiration of leave without pay shall be interpreted as a resignation.

- C. Leave without pay shall be granted only when it will not result in harm to the interests of the City service.
 - 1. An employee can return from leave without pay to the same salary position in the pay grade as at the time of commencement of leave providing the position is available.
 - 2. Health, dental, and life insurance group membership can be continued. If various group insurances are available to the employee, he/she will pay the total cost (100%)of the group insurance premium.
 - 3. An employee returning from a leave of absence without pay will not be entitled to employment in the same department in the same or equivalent class where he/she was employed when leave began.
 - 4. Absences caused by legal entanglements extraneous of City employment will be given as leave without pay.

6.14(H) - CHARGING LEAVE

For the purpose of accounting:

- A. Leave shall be charged to the employee for the actual time the employee is away from work on an hour per hour basis.
- B. The minimum amount charged to annual or sick leave will be charged in one-quarter hour minimum increments.
- C. For accounting purposes, any designated holiday shall not be counted as an annual or sick leave day.
- D. For purposes of determining overtime and compensatory time payments, annual or sick hours shall not be counted as time worked.
- E. Leave is earned at the end of each pay period and may not be used in advance.
- F. An employee may not redeem annual or sick leave in an amount that exceeds what is necessary to meet their regularly scheduled work week or pay period. For example, a forty (40) hour work week employee that works three eleven (11) hour shifts for a total of thirty-three (33) hours worked, shall not be permitted to redeem more than seven (7) hours of leave during that work week.

6.20 - TRAVEL - TIME SPENT TRAVELING

Pursuant to the U. S. Department of Labor, approved time spent traveling during normal work hours on City business is considered compensable work time and will be paid at the appropriate rate of pay.