GULF BREEZE CITY COUNCIL
REGULAR MEETING AGENDA

MAY 19, 2014
MONDAY, 6:30 P.M.
COUNCIL CHAMBERS

1. ROLL CALL

2. INVOCATION AND PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES FROM MAY 5, 2014, REGULAR MEETING
APPROVAL OF MINUTES FROM MAY 5, 2014, CRA MEETING
APPROVAL OF MINUTES FROM MAY 14, 2014 SPECIAL MEETING

4. **PROCLAMATION:** DECLARING MAY 24, 2014 AS GULF BREEZE HIGH SCHOOL CLASS OF 2014 DAY

5. **PUBLIC HEARING:** DRIFTWOOD SUBDIVISION VARIANCE REQUEST

6. **RESOLUTION NO. 07-14**: APPROVING THE ISSUANCE OF APPROXIMATELY $7,000,000 IN CAPITAL TRUST AGENCY REVENUE BONDS TO ASSIST IN FINANCING HOLLEY NAVARRE WATER SYSTEM.

7. **RESOLUTION NO. 09-14:** AUTHORIZING THE MAYOR TO EXECUTE AND ENTER INTO THE JOINT PARTICIPATION AGREEMENT FOR A ROADSIDE BEAUTIFICATION ASSISTANCE GRANT FROM THE FLORIDA DEPARTMENT OF TRANSPORTATION.

8. **CONSENT AGENDA ITEMS:***

   A. Discussion and Action Regarding Special Event Application for Captain Fun 5K Run on August 2, 2014.

   B. Discussion and Action Regarding Flood Debris Collection Bid Award to DRC Emergency Services, LLC.

   C. Discussion and Action Regarding Engagement of Boyetts and Containers Inc. for Sanitary Services.

D. Discussion and Action Regarding Emergency Response and Repairs No. 2 April 2014 Rain Event.

E. Discussion and Action Regarding Formation of a Storm Water Task Force.

F. Discussion and Action Regarding Ratification of Extension of Declaration of Emergency.

G. Discussion and Action Regarding Audit Selection Committee Recommendation.

***These are items considered routine in nature and will be considered by one motion. If any citizen wishes to voice an opinion on one of the items, you should advise the Council immediately.**

9. Action Items:

10. New Items:

11. Open Forum:

12. Adjournment:

If any person decides to appeal any decisions made with respect to any matter considered at this meeting or public hearing, such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and any evidence upon which the appeal is to be based.

The public is invited to comment on matters before the City Council upon seeking and receiving the recognition from the Chair.

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF GULF BREEZE, FLORIDA

The 1,247th Regular Meeting of the Gulf Breeze City Council, Gulf Breeze, Florida, was held at the Gulf Breeze Community Center on Monday, May 5, 2014, at 6:30 p.m.

TOWN MEETING:

The Mayor started the Town Hall meeting by thanking everyone from attending. She gave an overview of the flooding event and spoke about measures taken by the City during the storm and recovery efforts are ongoing. The City Manager spoke about the flood event. He advised that Gulf Breeze Methodist Church was acting as a command center for volunteer efforts. The Mayor then opened the meeting to public comment. The following individuals spoke with regards to issues they experience regarding the flood event: Carolyn Smith (on behalf of her mother, Ms. Schuster), 420 Dracena Way; Richard McLeod, 409 Dracena Way; Jim Rocket, 505 Navarre Street; Paula Rocket, 505 Navarre Street; Joshua Cannon, 3061 Rosa Del Villa Drive; Sandy Milburn, 113 Bear Drive; Lynette Dewberry, 500 Navarre Street; Kristina Stevens, 408 Dracena Way; Jade Neal, 510 York Street; Rodney Eddins, 111 San Carlos; Wayne White, 309 Washington; Eric Ostrom, 108 Gilmore; Dave and Julie Luttrell, 204 Dolphin; Brody Newman, 105 McClure Drive; Jeff Spooneybarger, 203 Cordoba Drive; Jeff Nall, 413 Norwick Street; Bob McAuliffe, 7 Camelia Street; Pete Southerland, 324 Dolphin Street; Lawrence Cannon, 117 Shirley Drive; Cindy Lawrence, 180 Camelia Street; Lee Newkirk, 112 Bear Drive; Doug Wood, 175 Russ Drive; Richard McLeod, 409 Dracena Way; Lynn McCrary, 1250 Tall Pine Trail; Dewayne Hicks, 207 Hibiscus Avenue; Marvin Jones, 123 San Carlos; Alan Little, 304 Washington Avenue; Janice Nelson, 1074 Sanibel; Lisa Jones, 123 San Carlos; Bruce DeMotts – 27 Bay Cliffs; Wendy Brandon, 508 Dracena Way; Stuart Milburn, 113 Bear Drive; and Karen Cleveland-Morelli, 187 Camelia Street.

There were no other comments and the Mayor closed the public comment portion of the meeting at 9:05 p.m.

The Mayor convened the Regular Council meeting at 9:10 p.m. Upon call of the following Councilmen were present: Cherry Fitch, David G. Landfair, Joseph Henderson, Mayor Pro Tem J. B. Schluter, and Mayor Zimmern.

APPROVAL OF MINUTES:

Councilman Henderson moved for approval of the minutes for the Regular Meeting held on April 21, 2014. Councilman Landfair seconded. The vote for approval was unanimous.

Councilman Henderson moved for approval of the minutes for the CRA Meeting held on April 21, 2014. Councilman Landfair seconded. The vote for approval was unanimous.

RESOLUTION NO 08-14: A RESOLUTION TEMPORARILY SUSPENDING ENFORCEMENT OF SECTION 18-078(B)(1) AND (2) OF ORDINANCE NO. 05-13 AND SECTION 21-266(1) AND (2).

Councilman Henderson made a motion to approve Resolution No. 08-14. Councilman Landfair seconded. The vote for approval was unanimous.

CONSENT AGENDA ITEMS:

That the City Council approve the following Consent Agenda Items: A through F:

A. SUBJECT: DISCUSSION AND ACTION REGARDING SEWER SYSTEM REPAIRS ON BEAR DRIVE AND DRACENA WAY.

Reference: Director of Public Services memo dated April 25, 2014

RECOMMENDATION:
CITY COUNCIL AUTHORIZE GULF COAST UNDERGROUND TO RELINE MANHOLES AT A COST OF $36,750.

B. SUBJECT: DISCUSSION AND ACTION REGARDING FLORIDA DEPARTMENT OF TRANSPORTATION – SB 1446 LANDSCAPING GRANT.

Reference: Assistant City Manager memo dated April 24, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL DIRECT STAFF TO DEVELOP A LANDSCAPING SCOPE OF SERVICES FOR US 98, FROM DANIEL DRIVE TO THE BEGINNING OF THE NAVAL LIVE OAK RESERVATION AND REQUEST FUNDS FROM FLORIDA DEPARTMENT OF TRANSPORTATION, DISTRICT 3, THROUGH THE FLORIDA DEPARTMENT OF TRANSPORTATION – SB 1446 LANDSCAPING GRANT PROGRAM.

C. SUBJECT: DISCUSSION AND ACTION REGARDING TRAFFIC SIGNAL MAINTENANCE AGREEMENT.

Reference: Assistant Director of Public Services memo dated April 24, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL APPROVE THE FORM OF THE REVISED TRAFFIC SIGNAL MAINTENANCE AGREEMENT WITH THE DEPARTMENT OF TRANSPORTATION AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT WHEN REIMBURSEMENT INFORMATION IS PROVIDED BY THE DEPARTMENT.

D. SUBJECT: DISCUSSION AND ACTION REGARDING CHANGE ORDER REQUEST – TIGER POINT GOLF CLUB – MAIN BUILDING.

Reference: Director of Parks and Recreation memo dated April 24, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL AUTHORIZE CHANGE ORDER #3 IN THE TOTAL AMOUNT OF $20,331.13, THEREBY INCREASING THE TOTAL PROJECT COST TO $139,284.33.

E. SUBJECT: DISCUSSION AND ACTION REGARDING REPLACEMENT DISH WASHING MACHINE – TIGER POINT GOLF CLUB.

Reference: Director of Parks and Recreation memo dated April 24, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL AUTHORIZE THE REPLACEMENT OF THIS DISH WASHING MACHINE FROM PR CHEMICAL AND PAPER SUPPLY AT THEIR STATE CONTRACT PRICE OF $8,450.00.

F. SUBJECT: DISCUSSION AND ACTION REGARDING PARKING OF COMMERCIAL VEHICLES.

Reference: City Manager memo dated April 25, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL DIRECT STAFF TO DEVELOP AN ORDINANCE FOR CONSIDERATION BY THE CITY COUNCIL WHICH ADDRESSES THE ISSUE OF PARKING COMMERCIAL VEHICLES IN CLOSE PROXIMITY TO GULF BREEZE PARKWAY, SHORELINE, OR FAIRPOINT.

Councilwoman Fitch moved for approval of Consent Agenda Items A through F. Mayor Pro Tem Schluter seconded. The vote for approval was unanimous.

ACTION AGENDA ITEMS:

A. SUBJECT: DISCUSSION AND ACTION REGARDING TRAFFIC SIGNAL WARNING LIGHT.

Reference: Assistant Director of Public Services memo dated April 24, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL APPROVE THE CONCEPT OF A FLASHING TRAFFIC SIGNAL WARNING LIGHT AFFIXED TO THE OVERPASS FOR THE EASTBOUND TRAFFIC.

Following discussion, it was decided that this recommendation should be considered an interim report and staff would be directed to explore additional options for traffic safety signals at this location.

B. SUBJECT: DISCUSSION AND ACTION REGARDING PAVING REPAIRS FROM APRIL 2014 RAIN EVENT.

Reference: Assistant Director of Public Services memo dated May 1, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL APPROVE THE EMERGENCY REPAIRS AUTHORIZED BY THE CITY MANAGER ON MONTROSE BOULEVARD TO RADFORD AND NIX, LLC, FOR $3,892.00 AND ON ROANOKE COURT TO UTILITY SERVICE COMPANY FOR AN AMOUNT NOT TO EXCEED $50,000.00.

Councilman Henderson moved for approval of staff's recommendation. Councilman Landfair seconded. The vote for approval was unanimous.

The Mayor suspended the Regular Council Meeting at 9:12 p.m. for the City Council to meet as the Community Redevelopment Agency Board. The Regular meeting began again at 9:14 p.m.

OPEN FORUM:

The Mayor opened the floor for open forum. There were no comments made and the Mayor closed the open forum.

ADJOURNMENT: Mayor Zimmern adjourned the meeting at 9:15 p.m.

Stephanie D. Lucas, City Clerk

Beverly H. Zimmern, Mayor

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS FOR THE COMMUNITY REDEVELOPMENT AGENCY

A meeting of the Board of Directors for the Community Redevelopment Agency, Gulf Breeze, Florida, was convened at the Community Center on Monday, May 5, 2014, at 9:12 p.m.

The following members were present: Councilman Joseph Henderson, Mayor Pro Tem Schluter, Councilwoman Fitch, Councilman Landfair and Mayor Zimmern.

The purpose of the meeting was for the Board of Directors of the Community Redevelopment Agency to consider the following:

ACTION AGENDA ITEM:

A. SUBJECT: DISCUSSION AND ACTION REGARDING APPRAISAL OF 1198 GULF BREEZE PARKWAY.

Reference: City Manager memo dated April 24, 2014.

RECOMMENDATION:
THAT THE CITY COUNCIL MEET AS THE BOARD OF DIRECTORS OF THE COMMUNITY REDEVELOPMENT AGENCY ON MAY 5, 2014, AND AUTHORIZE EXPENDITURE FOR AN APPRAISAL OF 1189 GULF BREEZE PARKWAY BY FRUITTICHER-LOWERY AT A COST OF $3,400.

Mayor Pro Tem Schluter moved for approval of staff's recommendation. Councilwoman Fitch seconded. The vote for approval was unanimous.

PUBLIC FORUM:

The Mayor opened the floor for open forum. There were no comments made and the Mayor closed the open forum.

ADJOURNMENT: Mayor Zimmern adjourned the meeting at 9:14 p.m.

Stephanie D. Lucas, City Clerk

Beverly H. Zimmern, Mayor

SPECIAL MEETING MINUTES
CITY COUNCIL OF THE CITY OF GULF BREEZE, FLORIDA

An Emergency Special Meeting of the Gulf Breeze City Council, Gulf Breeze, Florida, was held at Gulf Breeze City Hall on Wednesday, May 14, 2014. The meeting convened at 6:30 p.m.

The following Councilmembers were present: Joseph Henderson, Cherry Fitch, Mayor Pro-Tem J.B. Schluter, David G. Landfair and Mayor Beverly Zimmern.

SPECIAL MEETING ITEMS:

A. SUBJECT: DISCUSSION AND ACTION REGARDING EXTENDING THE DECLARATION OF EMERGENCY IN ORDER TO FACILITATE URGENT ACTIONS INCLUDING DEBRIS REMOVAL.

Reference: City Attorney Verbal Report

RECOMMENDATION:
THAT THE CITY COUNCIL EXTEND THE ORIGINAL DECLARATION OF EMERGENCY IN ORDER TO FACILITATE URGENT ACTIONS INCLUDING DEBRIS REMOVAL.

Councilman Henderson moved for approval. Councilwoman Fitch seconded. The vote for approval was unanimous.

PUBLIC FORUM: None

ADJOURNMENT: 6:34 P.M.

Leslie A. Guyer, City Clerk

Beverly H. Zimmern, Mayor

Councilmembers Present: Joseph Henderson, Cherry Fitch, Mayor Pro-Tem J.B. Schluter, David G. Landfair and Mayor Beverly Zimmern.

ACTION AGENDA ITEMS:

A. SUBJECT: DISCUSSION AND ACTION REGARDING PROCLAMATION DECLARING MAY 24, 2014 AS GULF BREEZE HIGH SCHOOL CLASS OF 2014 DAY.

Reference: City Manager Verbal Report

RECOMMENDATION:
CITY COUNCIL PROCLAIM MAY 24, 2014 TO BE GULF BREEZE HIGH SCHOOL CLASS OF 2014 DAY.

Councilman Landfair requested that the Proclamation be updated to include additional information regarding scholarships. Councilwoman Fitch made a motion to place staff's recommendation on the May 19, 2014, Regular Council meeting agenda. The motion was seconded by Councilman Henderson. The vote for approval was unanimous.

B. SUBJECT: DISCUSSION AND ACTION REGARDING DRIFTWOOD SUBDIVISION VARIANCE REQUEST.

Reference: Director of Community Services memo dated May 8, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL HOLD A PUBLIC HEARING ON MAY 19, 2014, AND APPROVE THE VARIANCES AS SUBMITTED.

Councilman Landfair made a motion to place staff's recommendation on the May 19, 2014, Regular Council meeting agenda. The motion was seconded by Councilman Henderson. The vote for approval was unanimous.

C. SUBJECT: DISCUSSION AND ACTION REGARDING SPECIAL EVENT APPLICATION FOR CAPTAIN FUN 5K RUN ON AUGUST 2, 2014.

Reference: Interim Chief of Police memo dated April 28, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL APPROVE THE SPECIAL EVENT APPLICATION FOR THE CAPTAIN FUN RUN ON AUGUST 2, 2014.

Councilman Henderson made a motion to place staff's recommendation on the May 19, 2014, Regular Council meeting agenda. The motion was seconded by Councilman Landfair. The vote for approval was unanimous.

D. SUBJECT: DISCUSSION AND ACTION REGARDING FLOOD DEBRIS PICKUP.

Reference: City Manager memo dated May 8, 2014
Steve Milford memo dated May 14, 2014

RECOMMENDATION:

1. THAT THE CITY COUNCIL APPROVE THE PRICE AND ARRANGEMENT STAFF MADE WITH HURD BROTHERS FOR INITIAL, IMMEDIATE FLOOD DEBRIS REMOVAL; AND,

2. THAT THE CITY COUNCIL AWARD DEBRIS REMOVAL BID TO DRC, SUBJECT TO ABILITY TO PROVIDE PROOF OF INSURANCE AND OTHER DOCUMENTATION REQUIRED BY CONTRACT WITHIN 24 HOURS OF AWARD, WITH CROWDER GULF AS SECOND CHOICE SHOULD DRC FORFEIT; AND,

3. THAT WHITE GOODS BE REMOVED FROM THE NORMAL RESPONSIBILITY OF THIS CONTRACT AND HANDLED INDEPENDENTLY.

Councilman Landfair made a motion to place staff's recommendation on the May 19, 2014, Regular Council meeting agenda. The motion was seconded by Councilwoman Fitch. The vote for approval was unanimous. ***Staff was subsequently informed by TFR that an error on their RFP response existed and indicated without dispute of the Council award that they were not banned from holding federal contracts.***

E. SUBJECT: DISCUSSION AND ACTION REGARDING ENGAGEMENT OF BOYETTS AND CONTAINERS INC. FOR SANITARY SERVICES.

Reference: Finance Director memo dated May 6, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL APPROVE THE ENGAGEMENT OF BOYETTS AND CONTAINERS INC. FOR SANITARY SERVICES.

Councilwoman Fitch made a motion to place staff's recommendation on the May 19, 2014, Regular Council meeting agenda. The motion was seconded by Mayor Pro Tem Schluter. The vote for approval was unanimous.

F. SUBJECT: DISCUSSION AND ACTION REGARDING EMERGENCY RESPONSE AND REPAIRS NO. 2 APRIL 2014 RAIN EVENT.

Reference: Assistant Director Public Services memo dated May 9, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL APPROVE THE EMERGENCY RESPONSE ITEMS AND REPAIRS IN THE AMOUNT OF $287,513.00 AUTHORIZED BY THE CITY MANAGER AS LISTED.

Mayor Pro Tem Schluter made a motion to place staff's recommendations on the May 19, 2014, Regular Council meeting agenda. The motion was seconded by Councilman Henderson. The vote for approval was unanimous.

G. SUBJECT: DISCUSSION AND ACTION REGARDING RESOLUTION 07-14, APPROVING A PLAN OF FINANCE FOR HOLLEY-NAVARRE WATER SYSTEM.

Reference: City Manager memo dated May 8, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL ADOPT RESOLUTION 07-14 APPROVING A PLAN OF FINANCE FOR HOLLEY-NAVARRE WATER SYSTEM AND AUTHORIZING THE ISSUANCE OF UP TO $7,000,000 IN CAPITAL TRUST AGENCY BONDS.

Councilwoman Fitch made a motion to place staff's recommendation on the May 19, 2014, Regular Council meeting agenda. The motion was seconded by Councilman Henderson. The vote for approval was unanimous.

H. SUBJECT: DISCUSSION AND ACTION REGARDING FLORIDA DEPARTMENT OF TRANSPORTATION – ROADSIDE BEAUTIFICATION ASSISTANCE GRANT.

Reference: Assistant City Manager memo dated May 8, 2014.

RECOMMENDATION:
THAT THE CITY COUNCIL ADOPT RESOLUTION NO. 09-14 AUTHORIZING THE MAYOR TO EXECUTE AND ENTER INTO A JOINT PARTICIPATION AGREEMENT FOR A ROADSIDE BEAUTIFICATION ASSISTANCE GRANT, TO LANDSCAPE ON US 98 FROM DANIEL DRIVE TO THE BEGINNING OF THE NAVAL LIVE OAK RESERVATION FROM THE FLORIDA DEPARTMENT OF TRANSPORTATION, DISTRICT 3.

Mayor Pro Tem made a motion to place staff's recommendation on the May 19, 2014, Regular Council meeting agenda. The motion was seconded by Councilman Henderson. The vote for approval was unanimous.

I. SUBJECT: DISCUSSION AND ACTION REGARDING PURCHASE OF PAYTON OFFICE COMPLEX, 1189 GULF BREEZE PARKWAY.

Reference: City Manager memo dated May 9, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL MEET AS THE BOARD OF DIRECTORS OF THE COMMUNITY REDEVELOPMENT AGENCY (CRA) ON MONDAY, MAY 19TH AND APPROVE THE PURCHASE OF THE PAYTON OFFICE COMPLEX FOR $425,000.

Councilman Henderson requested the current tax revenue from the office complex.

Mayor Pro Tem made a motion to place staff's recommendation on the May 19, 2014, Community Redevelopment Agency meeting agenda. The motion was seconded by Councilwoman Fitch. The vote for approval was 4-1 with Councilman Henderson dissenting.

J. SUBJECT: DISCUSSION AND ACTION REGARDING FORMATION OF A STORM WATER TASK FORCE.

Reference: City Manager memo dated May 9, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL APPROVE THE FORMATION OF A TASK FORCE TO STUDY WATER DRAINAGE IN THE CITY OF GULF BREEZE AND TO ADD THE FOLLOWING PEOPLE TO THE TASK FORCE IN ADDITION TO THOSE MENTIONED IN THE MEMO: ED GRAY, ROBERT TURPIN, AND SCOTT STONEBRAKER WITH ED GRAY CHAIRING THE TASK FORCE.

Councilwoman Fitch made a motion to place staff's recommendation on the May 19, 2014, Regular Council meeting agenda. The motion was seconded by Councilman Henderson. The vote for approval was unanimous.

Councilman Henderson requested that a formal recommendation be made at the May 19, 2014 Regular Council meeting to add Mr. McLeod of 409 Dracena Way to the storm water task force.

K. INFORMATION ITEMS:

1. Mr. Eddy stated that the Audit Selection Committee is ready to present to the City Council a recommendation to enter into a contract with Saltmarsh, Cleveland and Gund at the May 19, 2014 Regular Council meeting. Mr. Eddy requested that this item be placed on the May 19, 2014 Regular Council meeting agenda. Mayor Pro Tem Schluter made a motion to place the Audit Selection Committee recommendation on the May 19, 2014, Regular Council meeting agenda. The motion was seconded by Councilwoman Fitch. The vote for approval was unanimous.

L. PUBLIC FORUM:

Jeff Nall, 413 Warwick St, inquired on the administration of the Roadside Beautification Assistance Grant.

Richard McLeod, 409 Dracena way, would like citizens affected by the flood be part of the storm water task force. Mr. McCloud requested to see the qualifications of those members chosen for the storm water task force.

Vivian Helmus, 117 S. Sunset Blvd, would like to be able to attend the task force meetings and contribute input.

Kathy Kirk, 428 Dolphin St, inquired on attendance to the storm water task force and how the meetings would be published. Requested that the pump at Dolphin and Camelia stay in place. Also requested to have the pump inspected to make sure it is working.

Susan Bleiler, 41 Deerpoint, requested that a member of the storm water task force is an environmentalist.

Douglas Wood, 175 Russ Dr, inquired on the start date for the storm water project. Inquired on the amount of money the City has in reserves to use for infrastructure repairs. Requested a copy of the City's financials. (Comprehensive Annual Financial Report is on City Website) Inquired as to what Council seats are up for re-election.

Rhea Kessler, 177 Camelia, 122 San Carlos, 433 York St and 422 Deer Point. Ms. Kessler is unable to receive FEMA assistance without taking out an SBA loan. What are residents to do when they are not eligible for FEMA assistance?

Karen Cleveland Morelli, 187 Camelia St, inquired as to when a pump would be placed in her yard. Inquired as to when the City would begin the mitigation process. She was told by a FEMA representative that the City should begin the process within 2-6 months.

Sandy Milburn, 113 Bear Dr, water is draining from 187 Camelia onto her property due to berms that were built on the property.

Karen Kostelic, 111 Bear Dr, water is draining from 187 Camelia onto her property and would like it to be stopped.

Lynette Dewberry, 500 Navarre St, has flooding in her back yard due to construction of a newer home on Washington St., Inquired as to who is in charge of permitting. Requested that pumps be left in place for a little longer until water table has gone down.

Bobby Parrish, 405 Loruna St, requested that the holding pond be pumped to help bring water table down prior to a rain event. Would like to see homes converted from septic to sewer.

Stuart Milburn, 113 Bear Dr, inquired on the amount of revenue the City has received from the storm water improvement assessment fee and how much has been spent on actual improvements. Stated there is a problem at the Catch basin and deep well that somehow puts back pressure and causes water from the catch basin located at Norwich to flow back down the street to his location. Has a video that he would be glad to show the City.

ADJOURNMENT: Mayor Zimmern adjourned the meeting at 7:35 P.M.

City of Gulf Breeze

PROCLAMATION

GULF BREEZE HIGH SCHOOL CLASS OF 2014 DAY

WHEREAS, during this time of the year, families and friends gather to honor the academic achievements of students and share in the celebration of their graduation; and,

WHEREAS, the Gulf Breeze High School Class of 2014 will be graduating from a high school that has had the distinctive honor of being named an A+ school by the state of Florida for numerous years; and,

WHEREAS, the Class of 2014 is an extremely high achieving class that is graduating three hundred thirty two (332) students. Of those students, one hundred forty-five (145) were athletes, one hundred thirty-seven (137) are graduating with honors; one hundred ninety-four (194) were in advanced placement classes; one hundred five (105) were dual-enrolled in college; four (4) will attend our nation's military academies; over 50% of the class won a scholarship for college totaling over $16 million dollars; and,

WHEREAS, the City of Gulf Breeze would like to recognize parents, grandparents, teachers, administrators, and school board members who have helped the Class of 2014 on the path to graduation; and,

NOW, THEREFORE, I, Beverly H. Zimmern, Mayor of the City of Gulf Breeze, do hereby proclaim May 24, 2014, to be

GULF BREEZE HIGH SCHOOL CLASS OF 2014 DAY

in Gulf Breeze, and I urge all citizens to celebrate the Class of 2014 and to congratulate and encourage them in their future endeavors,

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Gulf Breeze, Santa Rosa County, Florida, to be affixed this 19th day of May, 2014.

Stephanie Lucas, City Clerk

Beverly H. Zimmern, Mayor

(850) 934-5100 • FAX (850) 934-5114
POST OFFICE BOX 640 • 1070 SHORELINE DRIVE • GULF BREEZE, FLORIDA 32562

City of Gulf Breeze

MEMORANDUM

TO: Edwin A. Eddy, City Manager

FROM: Craig S. Carmichael, Director of Community Services

DATE: May 8, 2014

SUBJECT: Driftwood Subdivision Variance Request

Attached, please find a plat for the 4th Addition to Driftwood Subdivision. As you will recall, there have been several other instances where this subdivision name has been used and reviewed by the Development Review Board (DRB). The most recent was developed by Britton Stamps. This particular project is being developed by David Brannen of Dune LLC and involves subdividing an existing single parcel of property located at 32 Duncan Avenue into two separate parcels. This project is identical in nature to the other subdivisions with the exception of size and scale.

As with the past projects, due to the size of the project and the bluff line, the developer is seeking several variances. They concern: setbacks, minimum drive width and stormwater retention requirements.

Drive Width

Section 21-140 of the Land Development Code (LDC) requires that all roads servicing developments in the RC district have a minimum pavement width of 24 feet. The developer is proposing a service road width of 22 feet with an additional 18 foot easement for utilities. This request is similar to the previous request made by the other developers of the variants of the Drifitwood subdivisions. Additionally, the Oaks by the Bay Subdivision was approved with the same variance. A 22 foot wide service road should be more than adequate to serve the limited number of units being developed.

Sec. 21-140. Service roads.

All roads serving condominium developments in the R-C district shall have a minimum pavement width of 24 feet and a minimum right-of-way of 40 feet, and shall never be accepted by the city unless the streets and buildings meet the subdivision, zoning, and all applicable land development code requirements, and are constructed to standards approved by the city for public roads.

(850) 934-5100 • FAX (850) 934-5114
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WWW.CITYOFGULFBREEZE.COM

Setbacks

While this particular project is located in the R1AA zoning district, Mr. Brannen wants the subdivision to fall in line with the other variants of the Driftwood subdivisions and he desires to use the setback provisions established in Section 21-248 and differ from the setbacks for R1AA zoning. The differences are as follows: (1) It allows for a less stringent 5.5 foot setback for the primary structure as opposed to the 8 foot side yard setback required in the R1A and R1AA zoning districts. (2) It also allows for a less stringent 40 foot minimum lot width as opposed to the 80 foot minimum found in the R1A and R1AA requirements.

Sec. 21-248. Cumulative residential provisions.

(a) Single-family uses as allowed in R-1-AA and R-1-A districts are permitted in TH and R-C districts. Such single-family uses will be considered as having been developed in an R-1-A district and, except as set forth in subsection (b), must meet the requirements for single-family uses as set forth in district R-1-A in division 4 of article II of this chapter.

(b) Single-family detached structures in a TH or R-C district as allowed by subsection (a) must have lot widths of at least 40 feet at the front setback line and beyond and side yard setback of 5½ feet from the side lot line. All other requirements and provisions for single-family detached structures set forth in division 4 of article II of this chapter, district R-1-A, with exception for lot widths and side yard setbacks, but including overall building lot square footage requirements, are applicable to such single-family detached structures in the TH or R-C districts.

Because of the 5.5 foot setback, an issue arises with the placement of accessory structures. More specifically it involves the placement of generators and HVAC components. Staff has always interpreted these items to be accessory structures and as such, they must adhere to the 5 foot side yard setback established in Section 21-85 of the LDC. Given the primary structure setback of 5.5 feet, there will be only a half of a foot wide area where a generator or HVAC equipment could be placed on the side of the primary structure. The petitioner is requesting a variance from Section 21-85 so that these aforementioned items could be located within the 5 foot setback. The variance is worded in such a way that only a generator or HVAC equipment could be located within the setback.

Sec. 21-69. Setbacks, yard requirements.

The minimum setback from the front lot line shall be 30 feet; minimum side yard setback shall be eight feet from the side lot line; minimum rear yard depth is to be 30 feet from any portion of the main house or porches, attached garages or carports to the rear lot line except in the case of corner lots for which the rear yard restrictions shall be 15 feet. On corner lots the side of the lot having the least street frontage shall be considered the front lot line for setback purposes, regardless of how the house actually faces; if the house actually faces the side street, the minimum setback from the side street shall be 20 feet, otherwise the minimum setback from the side street shall be 15 feet.

Stormwater

Section 24-99 (2) requires that the run-off leaving a site after being developed be maintained at the rates that existed prior to development. This requirement insures that downstream properties are not flooded by increased runoff when a property is developed. As the Driftwood project will directly discharge surface water runoff to Escambia Bay, the threat of downstream flooding is nonexistent. Therefore, the facility can be granted a variance removing the requirement to meet this condition. Similar variances were granted to other projects adjacent to this project.

The developer has mitigated most of the concerns regarding the aforementioned deviations from the Code. When you look at the impacts, staff feels that they are minimal in nature. Other than the aforementioned variances, the project appears to be in line with the other variants of the Driftwood subdivision and staff recommends approval of the project.

Recommendation: ***That the City Council hold a Public Hearing on May 19, 2014, and approve the variances as submitted.***

RESOLUTION 07-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GULF BREEZE, FLORIDA, APPROVING A PLAN OF FINANCE FOR THE PURPOSE OF FINANCING AND REFINANCING WATER AND SEWER SYSTEM IMPROVEMENTS LOCATED IN THE STATE OF FLORIDA; APPROVING THE ISSUANCE OF APPROXIMATELY $7,000,000 CAPITAL TRUST AGENCY REVENUE BONDS FOR THE PURPOSE OF FINANCING A LOAN PROGRAM TO ASSIST IN FINANCING SUCH IMPROVEMENTS; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council (the "City Council") of Gulf Breeze, Florida (the "City"), a municipal corporation of the State of Florida, has heretofore adopted Resolution No. 14-99 dated as of July 19, 1999 (the "Original Resolution"), and entered into an Interlocal Agreement between the City and the Town of Century, Florida, dated as of August 2, 1999, as amended by Amendments No. 1 through No. 53 (collectively, the "Enabling Agreement"), approving the creation of the Capital Trust Agency (the "Agency"), a legal entity and a public agency of the State of Florida, organized and existing under the provisions of Chapter 163, Part I, and Chapter 159, Part II, Florida Statutes, Ordinance No. 05-97 of the City, as amended, and its Articles of Incorporation, as amended and other applicable provisions of law (collectively, the "Act"), to enable public, private and not-for-profit organizations to obtain public assistance in financing or refinancing certain beneficial projects or programs that benefit, enhance and/or serve a public purpose; and

WHEREAS, pursuant to the Act and in accordance with the provisions of the Original Resolution, the Agency did on April 10, 2014, take official action by adopting its preliminary resolution (the "Agency Resolution") indicating its intent to authorize the financing and refinancing of the hereinafter described project, and the issuance from time to time of revenue bonds (the "Bonds") by the Agency for a loan program for the purpose, among other things, of (i) refinancing all of the outstanding principal amount of the Santa Rosa County, Florida Industrial Development Refunding Revenue Bonds, Series 2004 (Holley Navarre Water System, Inc.), (ii) refinancing of all of the outstanding principal amount of a Promissory Note of the Borrower dated October 1, 2010 and (iii) financing of the acquisition, construction and equipping of certain improvements to the System, as more fully described on Schedule "I" attached hereto (collectively, the "**Project**"); and

WHEREAS, the City has been advised that the Agency desires to issue the Bonds in an aggregate principal amount of approximately $7,000,000 (the exact amount to be determined by the appropriate official of the Agency, as being the amount required to fund the financing herein authorized), to finance the Project on behalf of Holley Navarre Water System, Inc., a Florida nonprofit corporation, or one or more of its affiliates, whose principal place of business is 8574 Turkey Bluff Road, Navarre, Florida 32566 (as applicable, the "Borrower") to fund a program herein described (the "Plan of Finance"); and

WHEREAS, the proposed Project is appropriate to the needs and circumstances of the community in which it is located and will serve a public purpose by (i) providing or preserving gainful employment and making a significant contribution to the economic growth of the local community, (ii) promoting commerce within the State of Florida, (iii) protecting the environment, (iv) providing a water and sewage system within the Borrower's area of operation, and (v) advancing the economic prosperity, the public health and the general welfare of the State of Florida and its people; and

WHEREAS, in order to control pollution, supply potable water and provide for water re-use, provide for the health, safety and welfare of the citizens of the State of Florida and facilitate the public purpose herein described, it is necessary and in the public interest to facilitate the financing of the Project and to facilitate and encourage the planning and development of such Project without regard to the boundaries between counties, municipalities, special districts, and other local governmental bodies or agencies in order to more effectively and efficiently serve the interests of the greatest number of people in the widest area practicable; and

WHEREAS, the public purposes to be achieved by such Project and the financing or refinancing thereof in compliance with the criteria and requirements of Chapter 159, Part II, Florida Statutes, as amended, implement the governmental purposes under the Florida Constitution of providing for the health, safety, and welfare of the people of the State of Florida; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires public approval of certain revenue bonds by an applicable elected representative or governmental unit on behalf of which such bonds are to be issued, following a public hearing; and

WHEREAS, (i) notice of such public hearing was given in the form required by the Code by publication at least fourteen (14) days prior to such public hearing in the *Gulf Breeze News* on April 24, 2014 and (ii) the Bonds and the Plan of Finance have been submitted to such public hearing held on behalf of the City Council on May 8, 2014; and

WHEREAS, the City Manager has conducted the public hearing on behalf of the City Council and provided reasonable opportunity for all interested persons to express their views, both orally and in writing, and diligently and conscientiously considered all comments and concerns expressed by such individuals, if any; and

WHEREAS, the City Council desires to approve the Bonds and the issuance and sale thereof pursuant to the Plan of Finance and to grant all approvals required or contemplated by Section 147(f) of the Code, to express its approval of the action taken by the Agency and its officials pursuant to the Agency Resolution, and to grant all other approvals required by the Enabling Agreement, as amended, and the Original Resolution in connection with the issuance and sale of the Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GULF BREEZE, FLORIDA:

SECTION 1. PUBLIC HEARING NOTICE AND REPORT APPROVED.

The City Council hereby approves the form of and the manner of publication of the Notice of Public Hearing (the "Notice") published on April 24, 2014 in the *Gulf Breeze News*, a newspaper of general circulation in the jurisdiction of the City. The City Council hereby approves the report of the public hearing conducted by the City Manager, a copy of which is attached as Exhibit "A" hereto. Such Notice and other means and methods utilized by the City to give notice of purpose, time and date of the public hearing provided reasonable notice sufficient to inform residents of the City of the proposed Bonds.

SECTION 2. BONDS AND PLAN OF FINANCE APPROVED.

For purposes of the Act, the City hereby approves the Plan of Finance described herein, and the issuance of the Bonds described in the Notice. The Agency and its officers, employees, agents and attorneys are hereby authorized from time to time to take all action, to execute and deliver such authorizations, approvals, certificates and documents, and to enter into, on behalf of the Agency, all interlocal agreements, repurchase agreements, bond credit or insurance agreements, reimbursement agreements, and other agreements, approvals or instruments deemed necessary or convenient to effect, implement, maintain and continue the Plan of Finance, the financing or refinancing of the Project through the issuance from time to time of the Bonds and the purposes for which the Bonds are to be issued. No obligation of the Agency under any such agreement shall constitute an obligation of the City except to the extent the same may be expressly approved by the City. The Bonds shall be limited and special obligations of the Agency, and shall not constitute a pledge of the faith and credit or taxing power of or constitute an obligation of the City.

SECTION 3. AMENDMENT NO. 54 TO THE ENABLING AGREEMENT RATIFIED.

Pursuant to the Enabling Agreement, there is hereby approved the execution and delivery of Amendment No. 54 to the Enabling Agreement (the "Amendment") to effect the approvals set forth in Section 1 and Section 2 hereof. Such Amendment shall be in substantially the form attached hereto as Exhibit "B," and the Mayor is authorized to execute and deliver the same on behalf of the City Council, with such changes not inconsistent herewith as the Mayor shall approve, her execution thereof to conclusively establish such approval.

SECTION 4. PLAN OF FINANCE AND TEFRA APPROVAL.

After diligent and conscientious consideration of the views expressed by the persons appearing at the public hearing, the City Council hereby approves the Agency's Plan of Finance which includes (i) the issuance by the Agency of approximately $7,000,000 aggregate principal amount of revenue bonds for all purposes of the Enabling Agreement, as amended, and for all purposes of the Original Resolution and (ii) the issuance by the Agency of tax-exempt bonds in an amount not exceeding $7,000,000 for all purposes under Section 147(f) of the Code.

SECTION 5. REPEALING CLAUSE.

All resolutions or parts thereof of the City in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

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SECTION 6. EFFECTIVE DATE.

This resolution shall take effect immediately upon its adoption this 19th day of May, 2014.

GULF BREEZE, FLORIDA
CITY COUNCIL

(SEAL)

By: _____
Beverly H. Zimmern, Mayor

ATTEST:

By: _____
Leslie Guyer, City Clerk

REPORT OF HEARING OFFICER
(HOLLEY NAVARRE WATER SYSTEM, INC.)

This instrument shall constitute the official report of the undersigned designated official of the City of Gulf Breeze, Florida (the "City"), a municipal corporation of the State of Florida, with respect to a public hearing scheduled and held by the City on Thursday, May 8, 2014, for and on behalf of the Capital Trust Agency (the "Agency"), a legal entity and public agency created and existing under Chapter 163, Part I, and Chapter 617, Florida Statutes, and established and empowered by the provisions of Chapter 159, Part II, Florida Statutes, Chapter 163, Part I, et seq., Chapter 166, Part II, Florida Statutes, Chapter 617, Florida Statutes and other applicable provisions of law, in connection with the proposed issuance of the Agency's not exceeding $7,000,000 revenue bonds (the "Bonds") on behalf of Holley Navarre Water System, Inc., a Florida nonprofit corporation, or one or more of its affiliates (as applicable, the "Borrower"), whose principal place of business is 8574 Turkey Bluff Road, Navarre Florida 32566. The proceeds of the Bonds will be loaned to the Borrower for the purpose of (i) refinancing all of the outstanding principal amount of the Santa Rosa County, Florida Industrial Development Refunding Revenue Bonds, Series 2004 (Holley Navarre Water System, Inc.), (ii) refinancing of all of the outstanding principal amount of a Promissory Note of the Borrower dated October 1, 2010 and (iii) financing of the acquisition, construction and equipping of certain improvements to the System, as more fully described on Exhibit "A" attached hereto (collectively, the "**Project**").

The public hearing was duly advertised on April 24, 2014 in the *Gulf Breeze News*, a newspaper of general circulation in the jurisdiction of the City. The proof of publication was presented to me at such hearing, and a copy is attached hereto as Exhibit "B" (the "Notice").

The hearing commenced at the time and location stated in the Notice. At such hearing, interested individuals were afforded reasonable opportunity to express their views, both orally and in writing, on all matters pertaining to the plan of finance and the financing of the Project. Information about the proposed Bonds, the location of the Project, and the proposed use of the proceeds were presented. When the information had been presented, opportunity was given for members of the public in attendance to give their input. It was noted that no written communication was received.

No interested party was in attendance at the public hearing. Minutes of the Council Meeting, including the public hearing, will be kept on file with the City Clerk as referenced in Exhibit "C" hereto. The undersigned then concluded the hearing.

Respectfully submitted,

By: Edwin A. Eddy
Edwin Eddy, City Manager
City of Gulf Breeze, Florida

EXHIBIT "A" TO
REPORT OF HEARING OFFICER
(HOLLEY NAVARRE WATER SYSTEM, INC.)

The Project includes the financing of the acquisition, construction and equipping of improvements to the Borrower's consolidated system for the production, storage and distribution of water and the collection, treatment and final disposition of sewage (the "**System**"), in particular the acquisition, construction and equipping of the expansion and rehabilitation of water and sewer lines within the service area of the System and the expansion of the System's facilities for disposal of reclaimed water. The System is owned and operated by the Borrower and is located in an area located in the southeastern part of Santa Rosa County, Florida (the "**County**"), as more fully described in the Franchise Resolution No. 86-23 entered into by and between the County and the Borrower on August 15, 1986, as heretofore amended and supplemented.

EXHIBIT "B" TO
REPORT OF HEARING OFFICER
(HOLLEY NAVARRE WATER SYSTEM, INC.)

PROOF OF PUBLICATION

[FOLLOWS]

Gulf Breeze News
YOUR COMMUNITY NEWSPAPER

The Gulf Breeze News

Published Weekly
Established in 2001

STATE OF FLORIDA
County of Santa Rosa

Before the undersigned authority personally appeared Doris Pelham who is personally known to me and who on oath says that she is Office Manager of the Gulf Breeze News, a weekly newspaper published at Gulf Breeze in Santa Rosa County, Florida; that the attached copy of advertisement, being a:

NOTICE OF PUBLIC HEARING
CITY OF GULF BREEZE, FLORIDA

Received from Capital Trust Agency and was published in said newspaper in the issue of:

April 24, 2014

Affiant further says that the said Gulf Breeze News published in Gulf Breeze in said Santa Rosa County, Florida, and that said newspaper has heretofore been continuously published in said county each week and has been entered as second class mail matter at the post office in Gulf Breeze, in said Santa Rosa County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Office Manager Doris Pelham

Sworn to an subscribed before me this 24th Day of April A.D. 2014

Name Lisa C. Newell **Notary Public**

My Commission Expires: 10-22-2016

LISA C. NEWELL
Notary Public - State of Florida
My Comm. Expires Oct 22, 2016
Commission # EE 832213
Bonded Through National Notary Assn

NOTICE OF PUBLIC HEARING
CITY OF GULF BREEZE, FLORIDA

NOTICE OF PUBLIC HEARING
CITY OF GULF BREEZE, FLORIDA

For the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), notice is hereby given that the City of Gulf Breeze, Florida (the "City") will hold a public hearing at 10:00 a.m. on Thursday, May 8, 2014, in the City Council Chambers located at 1070 Shoreline Drive, Gulf Breeze, Florida 32561. The purpose of the public hearing is to consider a plan of finance for the purpose, among other things, of providing funds to be loaned by the Capital Trust Agency (the "Agency") to Holley Navarre Water System, Inc., a Florida nonprofit corporation, or one or more of its affiliates (as applicable, the "Borrower"), in order to (i) refinance all of the outstanding principal amount of the Industrial Development Refunding Revenue Bonds, Series 2004 (Holley Navarre Water System, Inc.), previously issued by Santa Rosa County, Florida (the "County"), on behalf of the Borrower, to finance costs of certain capital improvements to the consolidated system for the production, storage and distribution of water and the collection, treatment and final disposition of sewage (collectively, the "System"), (ii) refinance all or a portion of the outstanding principal amount of a Promissory Note of the Borrower dated October 1, 2010, issued to finance costs of certain capital improvements to the System, and (iii) finance the expansion and rehabilitation of certain water and sewer lines within the service area of the System and the expansion of the System's facilities for disposal of reclaimed water (collectively, the "Project"). The System is owned and operated by the Borrower and is located in an area located in the southeastern part of the County, as more fully described in the Franchise Resolution No. 86-23 entered into by and between the County and the Borrower on August 15, 1986, as heretofore amended and supplemented. The administrative offices of the Borrower are located at 8574 Turkey Bluff Road, Navarre, Florida.

The plan of finance contemplates that the Agency will issue, in respect to such Project, not exceeding $7,000,000 in aggregate principal amount of its revenue bonds (the "Bonds"), in one or more installments, or series, and loan the proceeds of such Bonds to the Borrower to provide funds for the Project. The Project will be owned by the Borrower. The initial manager of the Project will be the Borrower.

The purpose of the public hearing is to comply with the provisions of Section 147(f) of the Code. The City will not issue, and will not be obligated on, the Bonds.

The Bonds, when issued, will be special, limited obligations payable solely out of the revenues, income and receipts pledged to the payment thereof and derived from financing agreements with the Borrower, and neither the Agency, the City, nor Santa Rosa County, Florida (the "County") will be obligated to pay the principal, premium, if any, or interest on the Bonds, except from the payments of the Borrower. The Bonds and interest thereon shall never pledge the taxing power of the City, the County, the State of Florida (the "State"), any other political subdivision, public agency or municipality thereof, within the meaning of any constitutional or statutory provision, or constitute the debt or indebtedness of the Agency, the City, the County, the State or any other political subdivision, public agency or municipality thereof, within the meaning of any constitutional or statutory provision. The Agency has no taxing power.

At the time and place fixed for said public hearing, all who appear will be given an opportunity to express their views for or against the proposal to approve the Bonds and the plan of finance. Prior to the public hearing, written comments may be delivered to the City Manager, of the City of Gulf Breeze, Florida, 1070 Shoreline Drive, Gulf Breeze, Florida 32561. All persons are advised that if they decide to appeal any decision made by the City with respect to any matter considered at this meeting, they will need a record of the proceedings, and for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. All interested persons are invited to present their comments at the time and place set forth above.

Following the hearing, a report concerning this public hearing will be submitted to the applicable elected representative responsible for approving the issuance of the Bonds.

In accordance with the Americans with Disabilities Act, persons in need of a special accommodation to participate in the proceedings shall contact the telephone operator at City Hall, 1070 Shoreline Drive, Gulf Breeze, Florida 32561, 850-934-5115, at least 48 hours in advance of the meeting (excluding Saturday and Sunday).

Legal 14928 Gulf Breeze News 4-24-14

EXHIBIT "B"

FORM OF AMENDMENT NO. 54
OF THE ENABLING AGREEMENT

This **AMENDMENT NO. 54 TO INTERLOCAL AGREEMENT** (this "Amendment No. 54") is made and entered into as of the 19th day of May, 2014, by and among the **CITY OF GULF BREEZE, FLORIDA**, a municipal corporation of the State of Florida ("Gulf Breeze") and the **TOWN OF CENTURY, FLORIDA**, a municipal corporation of the State of Florida ("Century"). Gulf Breeze and Century may collectively be referred to herein as the "Parties."

WITNESSETH:

WHEREAS, the Parties hereto have by Interlocal Agreement, dated as of August 2, 1999, as amended by Amendments No. 1 through No. 53 (collectively, the "Enabling Agreement"), heretofore provided for the creation of the Capital Trust Agency (the "Agency"), to enable public, private and not-for-profit organizations to obtain public assistance in financing certain projects or programs that benefit, enhance and/or serve a public purpose; and

WHEREAS, Holley Navarre Water System, Inc., a Florida nonprofit corporation, or one or more of its affiliates (as applicable, the "Borrower"), has represented to the Agency that, acting for itself or through its affiliates, it owns and operates a water and sewer system in the Southeastern portion of Santa Rosa County, Florida; and

WHEREAS, on April 10, 2014, the Agency approved a request by the Borrower that the Agency issue its revenue bonds in a principal amount of approximately $7,000,000 (the exact amount to be determined by the appropriate official of the Agency, as being the amount required to fund the financing herein authorized), in one or more series from time to time (collectively, the "Bonds") and loan the net proceeds thereof to the Borrower, for the purpose, among other things, of (i) refinancing all of the outstanding principal amount of the Santa Rosa County, Florida Industrial Development Refunding Revenue Bonds, Series 2004 (Holley Navarre Water System, Inc.), (ii) refinancing all of the outstanding principal amount of a Promissory Note of the Borrower dated October 1, 2010, and (iii) financing the acquisition, construction and equipping of certain improvements to the System, as more fully described on Schedule "I" attached hereto (collectively, the "**Project**"); and

WHEREAS, the Agency will issue its Bonds on a case-by-case basis after review by the Agency, to provide financing and refinancing from time to time for individual projects or groups of projects, or eligible financing programs, based upon the credit pledged therefor from one or more of the projects, the Borrower, a sponsor, a credit enhancement facility, if any, or from the revenues of any such programs; and

WHEREAS, Section 7 of the Enabling Agreement requires that as a condition precedent to the Agency issuing the Bonds, the Agency must obtain the prior written approval, evidenced by resolution, from the governing bodies of Century and Gulf Breeze approving such issuance

and approving an amendment to the Enabling Agreement specifically authorizing such issuance. Such approval evidenced by appropriate resolutions has been obtained, authorizing the execution and delivery of this Amendment No. 54 to the Enabling Agreement with respect to the financing herein described; and

WHEREAS, the Parties desire to amend the Enabling Agreement to permit and authorize the Agency to issue the Bonds herein described and loan the proceeds to the Borrower in order to provide financing for the Project.

NOW, THEREFORE, the Parties hereby agree as follows:

SECTION 1. ENABLING AGREEMENT AMENDED FOR PROJECT.

This Amendment No. 54 is entered into pursuant to Section 7 of the Enabling Agreement for the purpose of authorizing the Agency to issue the Bonds and to finance projects of the type and character of the Project.

SECTION 2. BONDS, PROGRAM, PLAN OF FINANCE APPROVED.

The Parties do hereby approve and authorize the Bonds, and the issuance of such Bonds from time to time, in one or more series, in an aggregate principal amount of approximately $7,000,000 (the exact amount to be determined by an appropriate official of the Agency to be sufficient to enable the financing or refinancing of the Project). Each installment or issue of such Bonds shall be designated by series, in such manner as the Agency shall determine, so as to separately identify each such installment or issue. The Agency and its officers, employees, agents and attorneys are hereby authorized to enter into, on behalf of the Agency, from time to time, interlocal agreements, cash management agreements, interest rate swap or hedge transactions, investment agreements, repurchase agreements, bond credit or insurance agreements, escrow agreements, reimbursement agreements, security documents and other agreements, approvals or instruments deemed necessary or convenient to effect or implement the financing or refinancing of the Project through the issuance of the Bonds, and the purposes and programs for which the Bonds are to be issued and to conform to the purposes stated in the Articles of Incorporation of the Agency to the authorizations herein contained. No obligation of the Agency under any such agreement or instrument shall constitute an obligation of Century or Gulf Breeze. The Bonds shall be limited and special obligations of the Agency, payable from the revenues or receipts of such programs or projects, payments made by the Borrower, a sponsor, or other sources relating to the purpose for which they are issued, all in the indentures for the Bonds. The Bonds shall not constitute a pledge of the faith and credit or taxing power of or constitute an obligation of Century or Gulf Breeze.

SECTION 3. ADMINISTRATIVE FEES AND EXPENSES FOR THE TOWN OF CENTURY.

Upon the issuance of each series or installment of Bonds, Century shall be paid by either the Agency or Gulf Breeze, solely from amounts received from the Borrower, the sum specified on Schedule "II" attached hereto.

SECTION 4. ENABLING AGREEMENT CONTINUED.

The Enabling Agreement, as amended hereby, is hereby ratified, confirmed and approved and shall otherwise continue in full force and effect. Nothing in this Amendment No. 54 shall be deemed to adversely affect the authorizations in the Enabling Agreement as it existed prior to the effective date of this Amendment No. 54, or to adversely affect the interests of the holders of any Bonds issued or to be issued pursuant to such authorizations. Except as and only to the extent specifically amended hereby, such Enabling Agreement is hereby incorporated by reference.

SECTION 5. INDEMNITY.

To the extent permitted by law, the Agency and Gulf Breeze shall indemnify, defend and hold harmless Century against any and all claims, losses, liabilities or damages to property or any injury or death of any person or persons occurring in connection with the issuance of the Bonds pursuant hereto, or in connection with the acquisition or operation of any project, or for any liability any way growing out of or resulting from the Enabling Agreement, as amended, this Amendment No. 54, the financing agreements and/or bond indentures executed in connection with the Bonds, including, without limitation, all costs and expenses of Century, including reasonable attorney's fees, incurred in the performance of any activities of Century in connection with the foregoing or the enforcement of any agreement of the Agency herein contained. Any such obligation of Gulf Breeze or the Agency shall be payable solely from the amounts available to them for such purposes under the Bond financing or any other plan of finance heretofore or hereafter undertaken by the Agency, and shall not constitute a general obligation or a pledge of the faith and credit of Gulf Breeze or the Agency, or an obligation to pay the same from any sources other than such amounts available to them for such purposes under the Bond financing.

SECTION 6. SEVERABILITY OF INVALID PROVISIONS.

If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereto.

SECTION 7. COUNTERPARTS.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 8. EFFECTIVE DATE; AMENDMENTS.

This Amendment shall take effect when duly executed by the Parties and filed in accordance with the law. This Amendment may be amended only by written instrument signed by authorized representatives of Century and Gulf Breeze; provided, however, that no such amendment which would adversely affect the rights of the holders or owners of any then outstanding Bonds of the Agency or of any other member shall take effect until such time as all necessary consents or approvals with respect to such Bonds shall have been obtained, in the case of the rights of bondholders, or the consents and approvals of the affected members, in the case of the rights of members.

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IN WITNESS WHEREOF, the Parties have caused this Amendment No. 54 to the Enabling Agreement to be executed by their duly authorized officers as of the date first above written.

CITY OF GULF BREEZE, FLORIDA

[SEAL]

By: _____
Beverly H. Zimmern, Mayor

ATTEST:

By: _____
Leslie Guyer
City Clerk

TOWN OF CENTURY, FLORIDA

[SEAL]

By: _____
Freddie W. McCall, Sr., Mayor

ATTEST:

By: _____
Leslie Gonzalez, Town Clerk

SCHEDULE "I"

The Project includes the financing of the acquisition, construction and equipping of improvements to the Borrower's consolidated system for the production, storage and distribution of water and the collection, treatment and final disposition of sewage (the "**System**"), in particular the acquisition, construction and equipping of the expansion and rehabilitation of water and sewer lines within the service area of the System and the expansion of the System's facilities for disposal of reclaimed water. The System is owned and operated by the Borrower and is located in an area located in the southeastern part of Santa Rosa County, Florida (the "**County**"), as more fully described in the Franchise Resolution No. 86-23 entered into by and between the County and the Borrower on August 15, 1986, as heretofore amended and supplemented.

SCHEDULE "II"
PAYMENT TO TOWN OF CENTURY

$350.00 per million principal amount of each issue, upon issuance thereof, but not less than $2,500.00.

RESOLUTION No. 09-14

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF GULF BREEZE AUTHORIZING THE MAYOR TO EXECUTE AND ENTER INTO THE JOINT PARTICIPATION AGREEMENT FOR A ROADSIDE BEAUTIFICATION ASSISTANCE GRANT FROM THE FLORIDA DEPARTMENT OF TRANSPORTATION

WHEREAS, many roadside areas and median strips abutting Department of Transportation rights-of-way area must be maintained and attractively landscaped; and

WHEREAS, the Mayor and City Council desire that the City of Gulf Breeze beautify and improve various rights-of-way areas within the City of Gulf Breeze by landscaping; and

WHEREAS, the Mayor and City Council of the City of Gulf Breeze have authorized the City Manager and staff to apply for a Roadside Beautification Assistance Grant from the Florida Department of Transportation.

NOW, THERFORE, BE IT RESOLVED by the City Council of the City of Gulf Breeze, Florida.

SECTION 1: The City Council of the City of Gulf Breeze hereby authorize the Mayor to execute the Joint Participation Agreement for a Roadside Beautification Assistance Grant from the State of Florida Department of Transportation.

SECTION 2: The City Clerk of the City of Gulf Breeze is hereby directed to send a copy of this Resolution to the Florida Department of Transportation.

ADOPTED AND APPROVED by the City Council of Gulf Breeze, Santa Rosa County, Florida, on the _____ day of _____, 2014.

ATTEST:

_____ CITY CLERK

_____ Beverly H. Zimmern, Mayor

Financial Project No.: *416533-8-58-42*
STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
ROADSIDE BEAUTIFICATION ASSISTANCE
JOINT PARTICIPATION AGREEMENT

This Agreement is between the STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION, "**DEPARTMENT,**" and the CITY of GULF BREEZE, "**CITY.**"

1. The **DEPARTMENT** has the authority, under Section 334.044(26), Florida Statutes, to enter into this Agreement; and

2. A Roadside Beautification Assistance Program has been created by Section 334.044(26), Florida Statutes, to "provide for the conservation of natural roadside growth and scenery and for the implementation and maintenance of roadside beautification programs"; and

3. The **CITY** has certified to the **DEPARTMENT** that it has met the eligibility requirements of said Section 334.044(26), Florida Statutes; and

4. The **DEPARTMENT** shall reimburse the **CITY** for direct costs under FP ID: 416533-8-58-42 for costs directly related to landscape of SR 30 (US 98) from Daniel Drive to the beginning of the Naval Live Oak Reservation, Santa Rosa County, Florida, not to exceed DEPARTMENT's maximum participation set out in the Agreement below (hereinafter referred to as the "**PROJECT**"); and

5. The **CITY** has authorized the Mayor or City Official to enter into this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties agree as follows:

6. The recitals in paragraphs 1-5 above are true and correct and are made a part of this Agreement.

7-SERVICES AND PERFORMANCE

A. The **CITY** shall furnish the services with which to undertake and complete the **PROJECT**. Said **PROJECT** consists of **Landscaping, Irrigation and other related materials to establish and maintain the project**, as further described in Exhibit A (Scope of Services), attached hereto and made a part hereof.

B. The **CITY** agrees to undertake and complete the **PROJECT** in accordance with all applicable statutes, rules and regulations, including **DEPARTMENT** standards and specifications. The **CITY** shall take the necessary steps to insure the **PROJECT** is completed within state or **CITY** right-of-way, or an appropriate easement has been acquired for off right-of-way actions. The **CITY** shall be responsible for obtaining clearances/permits required for the **PROJECT** from the appropriate permitting authorities.

i). The parties agree that this Agreement shall act as the **CITY'S** permit from the **DEPARTMENT** to perform the **PROJECT**. However, if the **PROJECT** requires bore work to be performed, the **CITY** shall obtain a permit from the **DEPARTMENT** prior to performing the bore work.

ii). The **CITY** shall notify the **DEPARTMENT** field office responsible for overseeing the **PROJECT** at least 48 hours prior to beginning work on the **PROJECT**.

C. Upon completion of the **PROJECT**, the appropriate **CITY** representative shall certify to the **DEPARTMENT** the project has been completed in accordance with the "Project Concept Report" (if applicable) and project plans and specifications.

D. The **DEPARTMENT** will be entitled at all times to be advised as to the status of work being done by the **CITY** and of the details thereof. Therefore, the **CITY** shall provide a monthly report to the **DEPARTMENT** project manager.

E. If the **CITY** hires a consultant, it must certify that its consultant has been selected in accordance with the Consultants Competitive Negotiation Act (Section 287.055, Florida Statutes).

F. The **CITY** shall not sublet, assign or transfer this Agreement without prior written consent of the **DEPARTMENT**.

G. The **CITY** shall have sole responsibility for maintaining the subject landscaping according to state standards, as well as stipulations outlined in Exhibit "B" both during and after completion of the **PROJECT**.

H. The **CITY**:

i). Shall utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the **CITY** during the term of the contract; and

ii). Shall expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.

8-TERM

A. The **CITY** shall commence the project activities subsequent to the execution of this Agreement and said activities shall be performed in accordance with the following schedule:

i). The **PROJECT** is to be completed on or before **May 31, 2015.**

B. This Agreement shall not be renewed. This Agreement shall expire on the date of which the **PROJECT** is to be completed unless the **CITY** submits a written request for an extension of time and the **DEPARTMENT**'s District Secretary or Designee grants a written extension prior to expiration of the Agreement.

9-COMPENSATION AND PAYMENT

A. i) The **DEPARTMENT** shall reimburse the **CITY** for direct costs of the **PROJECT**. The parties agree that **DEPARTMENT's** maximum participation is **ONE HUNDRED ONE THOUSAND and 00/100 DOLLARS ($101,000.00)**. Any additional costs, such as design of the project or other items not covered by this Agreement, shall be the **CITY's** sole responsibility.

ii) The **CITY** shall submit one invoice (3 copies) plus supporting documentation required by the **DEPARTMENT** to Production Management, 1074 Highway 90, Chipley, FL, 32428, for approval and processing.

iii) The **DEPARTMENT** shall reimburse the **CITY** upon receipt of a properly submitted invoice and supporting documentation. Supporting documentation shall include a copy of the cancelled check tendered by the **CITY** to the consultant/contractor who performed the work under the **PROJECT**. Supporting documentation shall also include dates of services and items of work performed on the **PROJECT**.

iv) Invoices shall be submitted by the **CITY** in detail sufficient for a proper pre-audit and post-audit thereof, based on quantifiable, measurable and verifiable deliverables as established in Exhibit "A," Scope of Services and Project Plans when approved by the **DEPARTMENT**. Deliverables must be received and accepted in writing by the **DEPARTMENT's** Project Manager or designee prior to reimbursements.

v) Supporting documentation must establish that the deliverables were received and accepted in writing by the **CITY** and must also establish that the required minimum level of service to be performed as specified in Section 7.B. was met, and that the criteria for evaluating successful completion as specified in Section 7.B. was met.

vi) The **CITY** may receive progress payments for deliverables based on the contractor's Schedule of Values and on a percentage of services that have been completed, approved and accepted to the satisfaction of the **DEPARTMENT** when properly supported by detailed invoices and acceptable evidence of payment. The final balance due under this Agreement will be reimbursed upon completion of all **PROJECT** services, receipt of final construction cost documentation and proper submission of a detailed invoice and when the **PROJECT** has been inspected, approved and accepted to the satisfaction of the **DEPARTMENT** in writing.

vii) If the schedule for performance exceeds 30 days the **CITY** shall submit invoices to the **DEPARTMENT** at the end of each calendar month. The **CITY** shall prepare and submit monthly invoices to the **DEPARTMENT** in a format acceptable to the

DEPARTMENT. Optionally, in an extended performance as referred to in this item, the **CITY** may submit one complete invoice in the form and in accordance with the method required in items i), ii), iii), iv), v) and vi) above.

viii) If this Agreement involves units of deliverables, then such units must be received and accepted in writing by the Contract Manager prior to payments.

ix) Bills for fees or other compensation for services or expenses shall be submitted in detail sufficient for a proper preaudit and postaudit thereof.

x) Travel costs will not be reimbursed.

B. Records of costs incurred under terms of this Agreement shall be maintained and made available upon request to the **DEPARTMENT** at all times during the period of this Agreement and for five (5) years after final payment is made. Copies of these documents and records shall be furnished to the **DEPARTMENT** upon request. Records of costs incurred includes the **CITY's** general accounting records and the project records, together with supporting documents and records of the **CITY** and all subcontractors performing work on the project, and all other records of the **CITY** and subcontractors considered necessary by the **DEPARTMENT** for a proper audit of costs.

C. The **DEPARTMENT** during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The **DEPARTMENT** shall require a statement from the Comptroller of the **DEPARTMENT** that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding one year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years. Accordingly, the State of Florida's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature.

10 – TERMINATION AND DEFAULT

A. If the **DEPARTMENT** determines the performance of the **CITY** is not satisfactory, the **DEPARTMENT** shall have the option of (a) immediately terminating the Agreement, or (b) notifying the **CITY** of the deficiency with a requirement that the deficiency be corrected within a specified time, otherwise the Agreement will be terminated at the end of such time, or the **DEPARTMENT** will take whatever action is deemed appropriate by the **DEPARTMENT**.

B. The **DEPARTMENT** may cancel this Agreement in whole or in part at any time the interest of the **DEPARTMENT** requires such termination. The **DEPARTMENT** also reserves the right to terminate or cancel this Agreement in the event the **CITY** shall be placed in either voluntary or involuntary bankruptcy. The **DEPARTMENT** further reserves the right to

terminate or cancel this Agreement in the event of an assignment being made for the benefit of creditors. This Agreement may be canceled by the **CITY** upon (60) sixty days written notice to the **DEPARTMENT**.

C. If the **DEPARTMENT** requires termination of the Agreement for reasons other than unsatisfactory performance of the **CITY**, the **DEPARTMENT** shall notify the **CITY** of such termination, with instructions to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.

D. If the Agreement is terminated before performance is completed, the **CITY** shall be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed an amount which is the same percentage of the contract price as the amount of work satisfactorily completed is a percentage of the total work called for by this Agreement. All work in progress will become the property of the **DEPARTMENT** and will be turned over promptly by the **CITY**.

11 - MISCELLANEOUS

A. Participants (in this document identified as **CITY**) providing goods and services to the **DEPARTMENT** should be aware of the following time frames. Upon receipt, the **DEPARTMENT** has five (5) working days to inspect and approve the goods and services unless the bid specifications, purchase order or contract specifies otherwise. The **DEPARTMENT** has twenty (20) days to deliver a request for payment (voucher) to the Department of Financial Services. The twenty (20) days are measured from the latter of the date the invoice is received or the goods or services are received, inspected and approved

B. If a warrant in payment of an invoice is not issued within forty (40) days after receipt of the invoice and receipt, inspection, and approval of the goods and services, a separate interest penalty at a rate as established pursuant to Section 55.03(1), F.S., will be due and payable, in addition to the invoice amount to the **CITY**. Interest penalties of less than one (1) dollar will not be enforced unless the **CITY** requests payment. Invoices which have to be returned to a **CITY** because of **CITY** preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the **DEPARTMENT**.

C. A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for Participants who may be experiencing problems in obtaining timely payment(s) from the **DEPARTMENT**. The Vendor Ombudsman may be contacted at (850) 413-5509.

D. The **CITY** shall allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received by the **CITY** in conjunction with this Agreement. Failure by the **CITY** to grant such public access shall be grounds for immediate unilateral cancellation of this Agreement by the **DEPARTMENT**.

E. The **CITY** shall comply with all federal, state and local laws and ordinances applicable to the work or payment for work thereof. The **CITY** shall not discriminate on the grounds of race, color, religion, sex or national origin in the performance of work under this Agreement.

F. No funds received pursuant to this Agreement may be expended for lobbying the Legislature, the judicial branch, or a state agency.

G. The **CITY** and the **DEPARTMENT** agree that the **CITY**, its employees, and subcontractors are not agents of the **DEPARTMENT** as a result of this Agreement.

H. It is understood between the parties hereto that any part of or the entire **PROJECT** may be removed, relocated or adjusted at any time in the future as determined to be necessary by the **DEPARTMENT** in order that the associated state road be widened, altered or otherwise changed to meet with the future criteria or planning of the **DEPARTMENT**. The **DEPARTMENT** shall give the **CITY** notice regarding such removal, relocation or adjustment and the **CITY** shall be allowed sixty (60) calendar days to remove all or part of the **PROJECT** at its own cost. The **CITY** shall own that part of the **PROJECT** it removes. After the sixty (60) calendar day's removal period, the **DEPARTMENT** may remove, relocate or adjust the **PROJECT** as it deems best. Wherever the **CITY** removes a **PROJECT** pursuant to this Agreement, the **CITY** shall restore the surface of the affected portion of the **PROJECT'S** premises to the same safe and trafficable condition as existed prior to installation of such **PROJECT**.

I. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida. Any provision herein determined by a court of competent jurisdiction, or any other legally constituted body having jurisdiction, to be invalid or unenforceable shall be severable and the remainder of this Agreement shall remain in full force and effect, provided that the invalidated or unenforceable provision is not material to the intended operation of this Agreement. Venue of any judicial proceedings arising out of this Agreement shall be in Santa Rosa County, Florida.

J. PUBLIC ENTITY CRIME INFORMATION AND ANTI-DISCRIMINATION STATEMENT: A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list. An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any

public entity, and may not transact business with any public entity.

K. All notices required pursuant to the terms hereof shall be sent by First Class United States Mail. Unless prior written notification of an alternate address for notices is sent, all notices shall be sent to the following addresses:

DEPARTMENT
Florida Department of Transportation
Program Development
1074 Highway 90
Chipley, FL 32428

CITY
David J. Szymanski, PHR
Assistant City Manager
City of Gulf Breeze
P.O. Box 640
Gulf Breeze, FL 32561

12 - The administration of resources awarded by the **DEPARTMENT** to the **CITY** may be subject to audits and/or monitoring by the **DEPARTMENT**, as described in this section.

MONITORING

In addition to reviews of audits conducted in accordance with OMB Circular A-133 and Section 215.97, F.S., as revised (see "AUDITS" below), monitoring procedures may include, but not be limited to, on-site visits by **DEPARTMENT** staff, limited scope audits as defined by OMB Circular A-133, as revised, and/or other procedures. By entering into this Agreement, the **CITY** agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the **DEPARTMENT**. In the event the **DEPARTMENT** determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by the **DEPARTMENT** staff to the **CITY**, regarding such audit. The **CITY** further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the FDOT's Office of Inspector General (OIG) and Florida's Chief Financial Officer (CFO) or Auditor General.

Audits

PART I: FEDERALLY FUNDED – NOT APPLICABLE TO THIS AGREEMENT

Recipients of federal funds (i.e. state, local government, or non-profit organizations as defined in OMB Circular A-133, as revised) are to have audits done annually using the following criteria:

1. In the event that the recipient expends $500,000 or more in Federal awards in its fiscal year, the recipient must have a single or program-specific audit conducted in accordance

with the provisions of OMB circular A-133, as revised. EXHIBIT 1 to this Agreement indicated Federal resources awarded through the **DEPARTMENT** by this Agreement. In determining the Federal awards expended in its fiscal year, the recipient shall consider all sources of Federal awards, including Federal resources received from the **DEPARTMENT**. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the recipient conducted by the Auditor General in accordance with the provisions OMB Circular A-133, as revised, will meet the requirements of this part.

2. In connection with the audit requirements addressed in Part I, paragraph 1, the recipient shall fulfill the requirements relative to audit responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

3. If the recipient expends less than $500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. However, if the recipient elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from Non-Federal resources (i.e., the cost of such an audit must be paid from the recipient resources obtained from other than Federal entities).

4. Federal awards are to be identified using the Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, and name of the awarding federal Agency.

PART II: STATE FUNDED THIS IS A STATE FUNDED PROJECT (CFSA 55.023)

Recipients of state funds (i.e. a non-state entity as defined by Section 215.97(2)(1), Florida Statutes) are to have audits done annually using the following criteria:

1. In the event that the recipient expends a total amount of state financial assistance equal to or in excess of $500,000 in any fiscal year, the recipient must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services and the CFO; and Chapters 10.550 (local government entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. EXHIBIT I to the Agreement indicates state financial assistance awarded through the **DEPARTMENT** by this Agreement. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the **DEPARTMENT**, other state agencies, and other non-state entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a non-state entity for Federal program matching requirements.

2. In connection with the audit requirements addressed in Part II, paragraph 1, the recipient shall ensure that the audit complies with the requirements of Section 215.97(7), Florida Statutes. This includes submission of a financial reporting package as defined by Section

215.97(2)(d), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.

3. If the recipient expends less than $500,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. However, if the recipient elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).

4. State awards are to be identified using the Catalog of State Financial Assistance (CSFA) title and number, award number and year, and name of the state agency awarding it.

PART III: OTHER AUDIT REQUIREMENTS

The recipient shall follow up and take corrective action on audit findings. Preparation of a summary schedule of prior year audit findings, including corrective action and current status of the audit findings is required. Current year audit findings require corrective action and status of findings.

Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is completed or the dispute is resolved. Access to project records and audit work papers shall be given to the FDOT, the Department of Financial Services, and the Auditor General. This section does not limit the authority of the **DEPARTMENT** to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any other state official.

PART IV: REPORT SUBMISSION

1. Copies of reporting packages for audits conducted in accordance with OMB Circular A-133 as revised, and required by PART I of this Agreement shall be submitted, when Required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Recipient directly to each of the following:

   A. The **DEPARTMENT** at each of the following addresses:

Florida Department of Transportation
Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0405
Email: FDOTSingleAudit@dot.state.fl.us

   B. The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the Number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as Revised, should be submitted to the Federal Audit Clearinghouse), at the

following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132

C. Other Federal agencies and pass-through entities in accordance with Sections .320 (e) and (f), OMB Circular A-133, as revised.

2. In the event that a copy of the reporting package for an audit required by PART I of this agreement and conducted in accordance with OMB Circular A-133, as revised, is not required to be submitted to the **DEPARTMENT** for reasons pursuant to section .320 (e)(2), OMB Circular A-133, as revised, the recipient shall submit the required written notification pursuant to Section .320 (e)(2) and a copy of the recipient's audited schedule of expenditures of Federal awards directly to each of the following:

Florida Department of Transportation
Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0405
Email: FDOTSingleAudit@dot.state.fl.us

In addition, pursuant to Section .320 (f), OMB Circular A-133, as revised, the recipient shall submit a copy of the reporting package described in section .320 (c), OMB Circular A-133, as revised, and any management letters issued by the auditor, to the **DEPARTMENT** at the following address:

Florida Department of Transportation
Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0405
Email: FDOTSingleAudit@dot.state.fl.us

3. Copies of financial reporting packages required by PART II of this Agreement shall be submitted by or on behalf of the recipient directly to each of the following:

A. The **DEPARTMENT** at the following address:

Florida Department of Transportation
Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0405
Email: FDOTSingleAudit@dot.state.fl.us

B. The Auditor General's Office at the following address:

Auditor General's Office
Room 401, Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

4. Copies of reports or the management letter required by PART III of this Agreement shall be submitted by or on behalf of the recipient directly to:

   A. The **DEPARTMENT** at the following address:

Florida Department of Transportation
Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0405
Email: FDOTSingleAudit@dot.state.fl.us

5. Any reports, management letter, or other information required to be submitted to the **DEPARTMENT** pursuant to this agreement shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

6. Recipients, when submitting financial reporting packages to the **DEPARTMENT** for audits done in accordance with OMB Circular A-133 or Chapters 10.550 (local governmental Entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

PART V: RECORD RETENTION

The recipient shall retain sufficient records demonstrating its compliance with the terms of this agreement for a period of at least five (5) years from the date the audit report is issued, and shall allow the **DEPARTMENT**, or its designee, CFO, or Auditor General access to such records upon request for a period of at least five (5) years from the date the audit report is issued, unless extended in writing by the **DEPARTMENT**.

IN WITNESS WHEREOF, the **CITY** has caused this Agreement to be executed in its behalf this _____ day of _____, 20__, by the City Official authorized to enter into and execute same by the City Council by Resolution Number _____ of the Council on the ____ day of _____, 2014, and the **DEPARTMENT** has executed this Agreement through its Director of Transportation Development for District Three, Florida Department of Transportation, on the date set forth below.

CITY OF GULF BREEZE, SANTA ROSA COUNTY, FLORIDA

ATTEST:_____(SEAL)
CLERK

BY: _____
TITLE: _____

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION

ATTEST: _____(SEAL)
EXECUTIVE SECRETARY

BY:_____
DIRECTOR OF
TRANSPORTATION
DEVELOPMENT
DATE:_____

LEGAL REVIEW:

_____
OFFICE OF GENERAL COUNSEL

Exhibit A
SCOPE OF SERVICES

FP ID: 416533-8-58-42

Project Description: Landscape design of SR 30 (US 98) from Daniel Drive to the beginning of the Naval Live Oak Reservation, Gulf Breeze, Santa Rosa County, Florida

Irrigation: Addition and expansion of the existing (well) irrigation system in the medians and right-of-way along the corridor of State Road 30, of Highway 98.. This includes boring under HWY 98 four times.

We would use drip irrigation on all shrubs and trees and spray irrigation for the grass areas. Total Irrigation materials and installation estimate = $30,000

Landscape from Daniel Drive to 399 Overpass: : Addition of 9 plant beds situated around installed and mature crapemyrtles. There will be 4 beds of Loropetalum (55 feet long) and 5 beds of Saw Palmettos (75 feet long). Loropetalum (3 gal) quantity equal 288. Saw Palmetto (3 gal) quantity equal 210. Estimate includes 100 bags of pecan shell mulch and 1000 square yards of Bermuda grass. Estimate = 25,000

Landscape from St. Francis Drive to Gulf Breeze Hospital Entrance: Will add 6, 4 " ca, southerm live oak in the first section of the median. Addition of 18 plant beds with 9 beds situated around installed and mature crapemyrtles. There will be 8 beds of Loropetalum (55 feet long) and 6 beds of Saw Palmettos (75 feet long). Loropetalum (3 gal) quantity equal 576. Saw Palmetto (3 gal) quantity equal 252. Estimate includes 250 bags of pecan shell mulch. Estimate = $38,000

Landscape from Gulf Breeze Hospital Entrance to the Naval Live Oak Reservation
Addition of 2 plant beds situated around installed and mature oak trees. There will be 1 beds of Loropetalum (55 feet long) and 2 beds of Saw Palmettos (75 feet long). Loropetalum (3 gal) quantity equal 72. Saw Palmetto (3 gal) quantity equal 84. Estimate includes 50 bags of pecan shell mulch. Estimate = 8,000

Summary: This is the final phase of a three phase project which began in 2011. The beautification efforts of State Road 30, Highway 98 through the City of Gulf Breeze began with an award a $350,000 grant from the Florida Department of Transportation. The City was able to improve , landscape, and irrigate the medians and right-of-ways from the base of the Three Mile Bridge to the Daniel Drive intersection. This will complete all three phases of the project.

Total Project Estimate = $101,000

The project design, set-backs, tree heights, etc. are subject to change pending FDOT design approval. Proposed plantings are also subject to change during construction based on availability, and are subject to FDOT approval.

Exhibit "B"
MAINTENANCE PLAN

SR 30 (US 98) from Daniel Drive to the beginning of the Naval Live Oak Reservation
Gulf Breeze, Santa Rosa County, Florida

Maintaining the subject landscaped area both during and after completion of the project includes, at a minimum, the following:

1. Mowing, cutting and/or trimming grass or turf within the landscaped project.

2. Fertilization of the landscaped project.

3. Weeding and edging (by means of manual, mechanical or chemical) of landscaped project. When using herbicides, formulas, rates, methods of application, special instructions and precautions should be applied.

4. Pruning of landscaped project in order to have healthy and vigorously growing plants and to maintain sight clearance in areas within the landscaped project.

5. Irrigation and maintenance of equipment and any other amenities (lighting, signage, benches, etc.).

6. A work zone traffic control plan (if necessary) for the installation and maintenance of the landscaped project.

7. Annual replenishment of mulch materials.

8. The project shall be maintained in accordance with FDOT Design Standards 546 and 700 as well as the FDOT Maintenance Rating Program.

EXHIBIT - 1

The CITY shall comply with all requirements of Florida Statute 344.044 and Department specifications and guidelines in constructing the before mentioned project.

FEDERAL RESOURCES Not Applicable to this agreement

STATE RESOURCES (CSFA 55.023)

Florida Department of Transportation Florida Statute 344.044

Landscape Grant Amount **$101,000.00**

Compliance Requirements

1. Project and/or material must be competitively bid.

2. Per Florida Statute 334.044 (26), to the extent practical, 50 percent of the funds shall be used for large plant materials.

3. Local agency must agree to maintain project permanently.

4. Funds are to be expended for construction only.

5. Plants must be purchased from FL based nursery stocks.

Matching Resources for Federal Programs Not Applicable to this agreement

NOTE: Section .400(d) of OMB Circular A-133, as revised, and Section 215.97(5)(a), Florida Statutes, require that the information about Federal Programs and State Projects included in Exhibit 1 be provided to the recipient.

City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To : Mayor and City Council

From : Edwin A. Eddy, City Manager

Date : May 15, 2014

Subject : **Ratification of Extension of Declaration of Emergency**

Last Wednesday, the City Council, during a Special Emergency Meeting, extended the Declaration of Emergency pursuant to Section 2-38, of the City's Code of Ordinances. We would ask that during the Regular Meeting scheduled for May 19, 2014, you ratify and approve the actions taken at the Special Emergency Meeting.

RECOMMENDATION:

THAT THE CITY COUNCIL MAKE A MOTION RATIFYING AND APPROVING ALL ACTIONS TAKEN DURING ITS EMERGENCY SPECIAL MEETING ON MAY 14, 2014, AND THE SAME SHALL BE DEEMED EFFECTIVE AS OF THAT DATE.

(850) 934-5100 • FAX (850) 934-5114
POST OFFICE BOX 640 • 1070 SHORELINE DRIVE • GULF BREEZE, FLORIDA 32562

Sec. 2-37. Declaration of emergency conditions; authorization of actions to protect public health, safety and welfare.

The city council, at any duly scheduled meeting, may act collectively or the mayor may, if conditions warrant, act individually to declare that emergency conditions exist in, about or near the city and direct the city manager, the chief of police or the director of public services to take such actions as necessary, appropriate and lawful to protect the health, safety and welfare of citizens of and/or property located within the city as emergency conditions warrant.

Such actions may include but shall not be limited to the following:

(1)

Establishing and enforcing curfews, including prohibitions of or restrictions on pedestrian and vehicular movement, standing and parking;

(2)

Closing of public places of assemblage; and

(3)

Measures reasonably designed or intended to prevent or mitigate damage to public property.

For emergency declarations declared by the mayor, such declarations shall remain in effect for the period of time established in the declaration, until the declaration is rescinded by the mayor, or until the next meeting of the city council, whichever occurs first. For emergency declarations declared by the city council, the declaration shall remain in effect for the period of time established in the declaration or until the declaration is rescinded by action of the city council at a duly scheduled meeting.

(Ord. No. 9-98, § 1, 11-2-98)

Editor's note—

Ord. No. 9-98, § 1, adopted Nov. 2, 1998, was intended to be included as a new § 2-46; however, to maintain continuity of the Code, said ordinance was included as a new § 2-37 at the editor's discretion.

Sec. 2-38. Emergency operations.

When, as a result of natural disaster or other calamity, the city is subject to a declaration of emergency or declaration of disaster proclaimed by federal, state or county authorities or under Municipal Code section 2-37 of the Gulf Breeze Ordinances (an "event"), the following temporary ordinances shall immediately take precedence and be in force until such time as a majority of the city council shall suspend each measure:

(1)

Authority over thoroughfares, easements, lanes, rights-of-way, public and private streets. The city has an obligation and full authority to provide services such as, but not limited to, emergency response, household waste collection and utility services including water, wastewater, and natural gas. All residents shall be eligible for services provided in the interest of public health, safety and welfare. The city shall have full authority, right-of-entry, access, and obligation to provide such services via all vehicular thoroughfares leading to multiple driveways or sidewalks of all city residents.

In the case that any thoroughfares may exist that have not been deeded to the city and/or may be "gated communities", such gates shall be maintained open and the city shall have authority to clear thoroughfares of debris for access, patrol, assess damage and casualties, inspect and repair utility services, and remove debris from the side of such thoroughfares for the benefits of public health, safety and welfare and to assess and remove any threats of significant damage to improved property. During such events such thoroughfares shall be considered as falling under section 18-51 of the Gulf Breeze Ordinances. Failure to maintain open gates may result, at the city manager's discretion, in the removal of the gates at no liability or obligation to replace such gates on the part of the city.

(2)

Unauthorized dumping.

(a)

Emergency conditions in a declared state of emergency require special attention to unauthorized dumping of materials such as, but not limited to, vegetative debris, construction debris, hazardous materials, and demolition materials.

The driver of any vehicle involved in unauthorized dumping shall be subject to fine in the amount and under the conditions as provided in city resolutions establishing fines for violation of this section.

(3)

Redeployment of city employees.

(a)

Upon direction of the city manager or department director and with the mutual agreement of the city employee, the responsibilities of the employee may be redirected to assist, during the event, and subsequent to the event, until redeployment ceases, in recovery projects involving event related debris processing, removal and monitoring or the reconstruction of city facilities.

(b)

Upon such redeployment the employee will be considered non-exempt and will provide satisfactory documentation of all hours worked and the nature of the work performed during redeployment.

(c)

In consideration of such redeployment, the city will temporarily increase the employee's base per hour rate by a temporary redeployment adjustment rate of 50 percent.

(d)

If such redeployment activities take place in addition to normal responsibilities, the employee's non-exempt status will be considered to prevail and overtime will be calculated based on daily hours in excess of eight hours and using an hourly rate for calculating overtime equal to the weighted average rate per hour of all hours for that week (i.e., Base rate for overtime per hour = ((Redeployment hours x Redeployment rate/Hr.) + (Non-redeployment hours x Base rate/Hr.))/Total hours).

(4)

Deputization In the case of an event where significant damage has befallen the city, the fire chief and/or the director of community services may create deputies with limited authority to assist in the assessments and rapid determination of instances of threats to public health, safety, welfare or threats of significant damage to improved property. Authority of said deputies may be revoked or reinstituted at any time by the fire chief and/or the director of community services. Such deputization will cease on the earlier of its revocation or suspension of this measure.

(5)

Recovery of property.

(a)

The city is under no obligation to identify, obtain, store, protect, or relocate or return any property, contents fixtures, equipment, vehicles or crafts that may be strewn beyond the resident's property by an event.

(b)

No resident may claim such debris materials as their own through simple possession if they are found to be deposited on their properties.

(c)

No residents may trespass without a property owner's permission to retrieve property and must present reasonable proof of ownership if so requested.

(d)

All manmade objects deposited on private or public lands as a result of an event that is not detritus shall be considered as abandoned and shall be subject to processing in accordance with Gulf Breeze ordinances sections 8-53, 8-54, 8-55, 8-56 and 8-57. For such

objects, removal may take place without notice or placard and the city is under no obligation to provide due care or in any way limit damage to the object. For purposes of section 8-55 there shall be no specified minimum retention period, and the city or its agents and contractors may destroy, dispose of, deconstruct, recycle, salvage, resell, lease or retain such object for the city's use and benefit.

(e)

The city will make reasonable effort to identify and contact any owners of registered or licensed vehicles or crafts. Such effort will not limit the city's authority to take action to remove, relocate, destroy or deconstruct any such vehicle or craft that may pose a threat to public safety, health and welfare or which may be a threat of significant damage to improved property.

(6)

Suppression of vermin, feral animals, vectors (disease transmitters, including insects) and fire prevention. Material debris, debris piles left undisturbed, uprooted trees and rootballs, fallen branches or trees and vegetation, surge deposited seaweed, as well as manmade detritus and debris resulting from, or in the aftermath of an event, shall be considered breeding grounds and havens for vermin, feral animals, vectors, and a hindrance to fire prevention and therefore de facto threats to public health, safety and welfare and threats of significant damage to improved property unless determined otherwise by the fire chief and/or director of community services. As a result in recovery of an event with significant debris, time shall be considered of the essence in addressing debris.

(7)

Suspension of normal purchasing procedures.

(a)

The city manager, or his designee(s), may declare the time critical acquisition of certain parts, equipment, materials or services to be vital to the protection, safety, repair or recovery of the city and its residents. Upon identification and designation of such need as a critically required acquisition or procurement, time will be considered of the essence in obtaining that item and will override normal purchasing procedures. The city manager, or his designee(s) must approve the nature and the maximum cost of the procurement.

(b)

Acquisitions made under this provision will be listed and provided to the city council for review at a public meeting within ten days of the expiration of this provision.

(c)

The provisions of this section will commence upon declaration of an event and expire 14 days after the initial impact of an event unless continued by majority vote of the city council of Gulf Breeze, which continuance shall not be longer than an additional 14 days for each such continuance.

(d)

Any service agreements or contracts entered into under this section shall become suspended upon the expiration of this provision, with the exception of provisions relating to guarantees of workmanship and components, warranty for service and similar guaranties of suitability of work performed and parts, equipment or materials provided in the course of such service.

(e)

Any department making acquisitions under this provision shall use their best efforts to ensure that the city derives good and fair value from its acquisition and that prices are reasonable in light of the prospects of the time critical nature of the procurement, the limited appropriate vendors that may be reachable or responsive, the importance of immediate access to or delivery of the material or services, and other considerations facing the city at the time of procurement.

(Ord. No. 07-07, § 1, 7-2-07)

City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To : Mayor and City Council

From : Edwin A. Eddy, City Manager

Date : May 15, 2014

Subject : **Recommendation from Audit Selection Committee**

The City's current contract with our financial audit firm has expired. Prior to entering into a new contract, State Law mandates that the City form an audit committee to, among other tasks, solicit then evaluate proposals from qualified auditing firms. The Council appointed an Auditor Selection Committee consisting of Mayor Zimmern, Mayor Pro Tem Schluter and City resident Jim Cox.

The Committee met, established factors to be used in evaluating prospective firms, drafted a Request for Proposals and interviewed responding firms. Three firms were interviewed. Warren-Averett (our current firm), Carr – Riggs and Saltmarsh, Cleaveland and Gund. All three firms were qualified and experienced. The prices from the firms are all similar.

The Committee is now prepared to make the following recommendation based on the qualifications of the firm, the fact that all accountants assigned to the City's audit will be CPAs and the desire to have a new fresh look at the audit via a different firm.

RECOMMENDATION:

THAT THE CITY COUNCIL APPROVE A 5 YEAR CONTRACT WITH SALTMARSH, CLEAVELAND AND GUND FOR FINANCIAL AUDITING SERVICES.

(850) 934-5100 • FAX (850) 934-5114
POST OFFICE BOX 640 • 1070 SHORELINE DRIVE • GULF BREEZE, FLORIDA 32562

Audit Proposal Evaluation Factors

Legal Requirements

Section 218.391(3)(a), Florida Statutes, requires that the audit committee establish the factors to be used for the evaluation of audit services to be provided and that such factors include, but not be limited to, ability of personnel, experience, ability to furnish the requested services, and such other factors as may be determined by the committee to be applicable to the particular requirements. Section 218.391(3)(d), Florida Statutes, prohibits the use of compensation as the sole or predominant factor for evaluating proposals.

Non-mandatory Guidance

Consistent with Florida law, the GFOA *Recommended Practice – Audit Procurement (1996 and 2002)* states: "The audit procurement process should be structured so that the principal factor in the selection of an independent auditor is the auditor's ability to perform a quality audit. In no case should price be allowed to serve as the sole criterion for selection of an independent auditor."

Audit Firm Qualifications. While Florida law prescribes minimal audit firm qualifications that must be considered, the *GFOA Handbook* describes an evaluation process that includes both criteria that must be met in order to qualify for a more detailed review and a method for rating the technical qualifications of proposers. The criteria listed by the GFOA include:

- Meeting applicable independence criteria.
- License to practice as a CPA in the state.
- Receipt of adequate continuing professional education by key personnel.
- Completion of a quality control review within the past three years.
- A history of performing quality audits.

The *GFOA Handbook* considers these to be criteria, the absence of which cannot be compensated by other credentials.

Technical Qualifications. The *GFOA Handbook* establishes two categories for technical qualifications of proposers: (1) expertise (ability) and experience, and (2) audit approach. Ability and experience qualifications include:

- Past experience and performance on comparable government engagements.
- Quality of the professional personnel to be assigned to the engagement and quality of the firm's management support personnel to be available for technical consultation.
- Experience with specific state and Federal grant programs.
- Information technology ability

Audit approach qualifications include:

- Approach to documentation and review of the comprehensive framework of internal control.
- Adequacy of proposed staffing plan (hours and level) for the various segments of the engagement.
- Adequacy of sampling techniques.
- Adequacy of analytical procedures.

The *GFOA Handbook* points out that technical qualifications should be tailored to meet each government's unique environment and specific audit requirements and cites as an example a government that sponsors its own pension plan for employees, which might require actuarial expertise.

The *GFOA Handbook* recommends assignments of ranges of point values to each criterion to aid in the evaluation of the technical qualifications of proposers. The use of ranges of point values allows the entity to reflect the relative importance of the qualifications for that government and engagement and allows the evaluator the flexibility to reflect qualitative differences in the qualifications presented in the proposals.

PART IV – EVALUATION OF PROPOSALS

A. General: The City shall be the sole judge as to the merits of the proposal, and the resulting agreement. The City's decision will be final. Among the criteria to be considered will be the following:

LOCATION/FACILITIES OF WORKING OFFICE(S)

PARTNER & SUPERVISORY STAFF QUALIFICATIONS & EXPERIENCE

SPECIFIC AUDIT APPROACH

a. Work plan
b. Proposed segmentation of the engagement
c. Staff level/hours of each segment
d. Type/extent of analytical procedures
e. Approach to understand City's internal control structure
f. Approach to determine laws/regulations to be subject to audit test work
g. Firm philosophy on staff rotation
h. Reference to information sources

FEES

INFORMATION PROVIDED BY REFERENCES

ANY OTHER INFORMATION AVAILABLE TO THE AUDIT COMMITTEE OR CITY COUNCIL

FIRM'S CURRENT WORKLOAD (and, correspondingly, the ability of the firm to timely complete the engagement)

B. Selection: The Selection Committee shall evaluate the proposals submitted by all firms. Presentations may be requested by the Selection Committee from up to three (3) firms. The Selection Committee will make a recommendation to the City Council for approval. The firm selected by the City Council will then be be asked to promptly execute the Auditor Engagement Agreement.

C. Schedule: The anticipated schedule for this project is as follows:

March 17-21, 2014	Request for Proposals published
March 28, 2014	Written questions due
April 4, 2014	Written response to inquiries
April 11, 2014	Completed Proposals due

April 15, 2014	Committee screens proposals
April 18, 2014	Notify finalists to be Interviewed
April 23-24, 2014	Conduct Interviews
April 25, 2014	Committee Recommendation
April 30, 2014	City Council Approval

END OF PART IV