

**GULF BREEZE CITY COUNCIL
REGULAR MEETING AGENDA**

NOVEMBER 3, 2014
MONDAY, 6:30 P.M.
COUNCIL CHAMBERS

1. Roll Call
2. Invocation and Pledge of Allegiance
3. Approval of Minutes for October 20, 2014 (Regular Meeting)
Approval of Minutes for October 20, 2014 (Community Redevelopment Agency)

PUBLIC HEARING REGARDING:

- | | |
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| Resolution No. 27-14: | Resolution Establishing a Final Millage Rate of 1.93095 |
| Resolution No. 28-14: | Resolution Adopting a Final Budget for Fiscal Year 2015 |

4. **CONSENT AGENDA ITEMS:***

- A. Discussion and Action Regarding South Santa Rosa Utility System Board Recommendations:
 1. Pelican Bay – Request from developer regarding Assistance with offsite force main construction cost
 2. Greystone Apartments – Request from Developer Regarding Tap Fees
 3. Purchase of Sewer Camera
 4. Paving of Golf Course/WWTP Entrance Road
 5. WWTP Minor Modification Permit & West Course Pump House Replacement
- B. Discussion and Action Regarding South Santa Rosa Utility System Board Regarding \$2.00 Technology Fee
- C. Discussion and Action Regarding Central Stormwater Division Watershed Surveying
- D. Discussion and Action Regarding Authorization for Payment of Watershed Survey for Eastern Stormwater Division
- E. Discussion and Action Regarding Authorization for Engineering Services for Installation of 4” Gas Main Across Sabine Inlet, Pensacola Beach
- F. Discussion and Action Regarding Payment for Services of Adjusters International

- G. Discussion and Action Regarding Payment of West Florida Regional Transportation Planning Organization and Bay Area Resource Council 2015 Dues.
- H. Discussion and Action Regarding Purchase of Chevrolet Tahoe Police Vehicle

***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.**

5. **ACTION ITEMS**

- A. Discussion and Action Regarding Impact of Pensacola Bay Bridge Project on Wayside Park
- B. Discussion and Action Regarding High Water Mark Initiative

6. New Business

- A. Discussion and Action Regarding Sales Tax Audit

7. Open Forum

8. 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 insure 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 1,258th Regular Meeting of the Gulf Breeze City Council, Gulf Breeze, Florida, was held at Gulf Breeze City Hall on Monday, October 20, 2014, at 6:30 p.m.

Upon call of the roll the following Councilmembers were present: Councilwoman Cherry Fitch, Councilman David G. Landfair, Councilman Joseph Henderson, Mayor Pro Tem Schluter and Mayor Beverly H. Zimmern.

APPROVAL OF MINUTES:

Councilman Landfair moved for approval of the minutes for the Regular Meeting held on October 6, 2014. Councilman Henderson seconded. The vote for approval was unanimous.

Councilwoman Fitch moved for approval of the minutes for the CRA Meeting held on October 6, 2014. Mayor Pro Tem Schluter seconded. The vote for approval was unanimous.

BEAUTIFICATION AWARD PRESENTATIONS:

Dr. Lynn McCrary with the Beautification Committee presented Beautification Awards to the following residents: DISTRICT 1: Kenneth and Sandra Smith, 615 Fairpoint Drive; DISTRICT 2: Ernest and Gloria Currence, 325 North Sunset Boulevard (in attendance); DISTRICT 3: Patricia Briska, 201 Silverthorn Drive (in attendance); DISTRICT 4: Lee and Kathy Brown, 83 Shoreline Drive; and DISTRICT 5: Mariana Moore, 504 Kenilworth Avenue.

PUBLIC ADOPTION HEARING:

**ORDINANCE NO. 08-14: AN ORDINANCE AMENDING THE CITY'S
COMPREHENSIVE PLAN TO IMPLEMENT THE
CITY'S MOST LIVABLE CITY PLAN**

The City Clerk read Ordinance No. 08-14 by title. The City's consultant, Curt Ostrodka of VHB, addressed the City Council and discussed changes to the proposed amendments to the Comprehensive Plan as recommended by the Florida Department of Education and answered questions from City Council. The Mayor opened the floor for public comments. Jane Taylor, 315 Andrew Jackson Trail, and Bill Lay, 1319 Soundview Trail, offered comments with regards to the Comprehensive Plan amendments. The Mayor closed the hearing.

Mayor Pro Tem Schluter made a motion recommending adoption of the Ordinance No. 08-14 and the proposed amendments to the Comprehensive Plan attached thereto. Councilwoman Fitch seconded. The vote for approval was 4-1 with Councilman Henderson dissenting.

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

PUBLIC HEARINGS:

ORDINANCE NO. 06-14: **AN ORDINANCE PERTAINING TO VACANT LOTS AND CONSTRUCTION SITE MAINTENANCE WITHIN THE C1, C2, M AND P ZONING DISTRICTS; CREATING SECTION 21-268 OF THE CODE OF ORDINANCES**

This matter was continued from the October 6, 2014, Public Hearing. It is noted that the City Clerk republished the Notice of Proposed Ordinance on October 9, 2014.

The City Clerk read Ordinance No. 06-14 by title. The Mayor opened the floor for public comments. There being no comments, the Mayor closed the hearing.

Councilwoman Fitch moved for approval of Ordinance No. 06-14. Councilman Henderson seconded. The vote for approval was unanimous.

ORDINANCE NO. 07-14 **AN ORDINANCE RELATING TO INVESTMENT POLICIES; ADOPTING A REVISED INVESTMENT POLICY FOR THE CITY OF GULF BREEZE**

The City Clerk read Ordinance No. 07-14 by title. The Mayor opened the floor for public comments. There being no comments, the Mayor closed the hearing.

Councilman Landfair moved for approval of Ordinance No. 07-14. Councilwoman Fitch seconded. The vote for approval was unanimous.

CONSENT AGENDA ITEMS*:

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

A. SUBJECT: DISCUSSION AND ACTION REGARDING DEVELOPMENT REVIEW BOARD RECOMMENDATION:

Reference: Development Review Board Minutes October 7, 2014
S. Brooks and Jessica A. Moore
11 North Sunset Boulevard
Gulf Breeze, FL
Vinyl Seawall – Level III

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

RECOMMENDATION:

THAT THE CITY COUNCIL APPROVE THE DEVELOPMENT REVIEW BOARD RECOMMENDATION.

- B. SUBJECT: DISCUSSION AND ACTION REGARDING DEMOLITION OF COE HOUSE AT 417 FAIRPOINT DRIVE.**

Reference: Fire Chief memo dated October 8, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE STAFF TO CONTRACT WITH MAVERICK DEMOLITION TO RAZE THE COE HOUSE FOR AN AMOUNT NOT TO EXCEED \$4,240.00.

- C. SUBJECT: DISCUSSION AND ACTION REGARDING VEHICLE PURCHASE FOR CODE ENFORCEMENT.**

Reference: Director of Community Services memo dated October 9, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE THE PURCHASE OF A 2014 F-150 CNG PICKUP TRUCK OFF OF THE STATE TERM CONTRACT FOR AN AMOUNT NOT TO EXCEED \$36,220.20.

- D. SUBJECT: DISCUSSION AND ACTION REGARDING PURCHASE OF 2013 CHEVROLET TAHOE POLICE VEHICLE.**

Reference: Director of Public Services memo dated October 9, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE STAFF TO PURCHASE ONE (1) 2013 CHEVROLET TAHOE VEHICLE, VIN# 1GNLC2E02DR338128, FROM JIM ELLIS CHEVROLET FOR \$27,900.00.

- E. SUBJECT: DISCUSSION AND ACTION REGARDING CITY SIDEWALK GRINDING PROPOSAL.**

THIS ITEM WAS PULLED FROM THE CONSENT AGENDA.

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

F. SUBJECT: DISCUSSION AND ACTION REGARDING ENGINEERING ANALYSIS OF COUNTRY CLUB ROAD STORMWATER.

Reference: Director of Public Services memo dated October 9, 2014.

RECOMMENDATION:
THAT THE CITY COUNCIL AUTHORIZE BASKERVILLE-DONOVAN TO PROVIDE PROFESSIONAL SERVICES FOR \$4,900 TO EVALUATE STORMWATER CONTRIBUTORS TO THE STORMWATER POND LOCATED ON COUNTRY CLUB ROAD.

G. SUBJECT: DISCUSSION AND ACTION REGARDING DECLARATION OF SURPLUS EQUIPMENT: V4150 VERMEER TRENCHER.

Reference: Director of Community Services memo dated October 9, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL DECLARE THE V4150 VERMEER TRENCHER SURPLUS AND AUTHORIZE STAFF TO PLACE UNIT ON EGOV-DEALS WITH A MINIMUM PRICE OF \$2,500.

H. SUBJECT: DISCUSSION AND ACTION REGARDING AUTHORIZATION OF 2015 PROJECTS.

Reference: Director of Finance memo dated October 10, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL RE-AUTHORIZE THE REMAINING AMOUNTS IN THE ABOVE AND ATTACHED LISTED PROJECTS FOR EXPENDITURES OF THE REMAINING AMOUNTS IN FISCAL YEAR 2015.

I. SUBJECT: DISCUSSION AND ACTION REGARDING GULF POWER ACCESS – SSRUS RECOMMENDATION.

Reference: Assistant Director of Community Services memo dated October 10, 2014

RECOMMENDATION:
THAT THE CITY COUNCIL APPROVE THE SSRUS RECOMMENDATION FOR THE ACCESS AGREEMENT WITH GULF POWER AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT.

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

Councilman Landfair moved for approval of Consent Agenda Items A through I. Councilman Henderson seconded. The vote for approval was unanimous. Mayor Pro Tem Schluter requested Item E be removed from the Consent Agenda for discussion.

***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.**

ACTION ITEMS:

E. SUBJECT: DISCUSSION AND ACTION REGARDING CITY SIDEWALK GRINDING PROPOSAL. *(Pulled from Consent Agenda)*

Reference: Director of Public Services memo dated October 8, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE PRECISION SIDEWALK SAFETY CORP. TO PERFORM SIDEWALK MAINTENANCE (GRINDING) AT A COST NOT TO EXCEED \$80,579 VIA CITY OF OVIEDO BID DATED FEBRUARY 17, 2012. FUNDING IS FROM GENERAL FUND RESERVES.

Councilman Henderson made a motion for approval of staff's recommendations. Councilman Landfair seconded. The vote for approval was 4-1 with Mayor Pro Tem Schluter dissenting.

A. SUBJECT: DISCUSSION AND ACTION REGARDING CNG CONVERSION OF 2013 CHEVROLET TAHOE

Reference: Director of Public Services memo dated October 20, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE MELTON FUELING TO INSTALL CNG CONVERSION OF ONE (1) 2013 CHEVROLET TAHOE VEHICLE, VIN#1GNLC2E02DR338128, FOR \$9,985.00.

Councilman Landfair made a motion for approval of staff's recommendations. Councilwoman Fitch seconded. The vote for approval was 4-1 with Councilman Henderson dissenting.

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

NEW BUSINESS: None

OPEN FORUM:

Nina Cobia, 1128 Tall Pine Trail, thanked the Council timely repair of the tennis courts and also thanked the Council and the School Board for allowing access to the School's tennis court.

Mayor Zimmern suspended the Council meeting at 7:16 p.m. for the Council to meet as the Community Redevelopment Agency. The Council meeting was re-adjourned at 7:19 p.m.

ADJOURNMENT: Mayor Zimmern adjourned the meeting at 7:20 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 Gulf Breeze City Hall Council Chambers on Monday, October 20, 2014, at 7:16 p.m.

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

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

CONSENT AGENDA ITEM*:

A. SUBJECT: DISCUSSION AND ACTION REGARDING MODIFICATION TO TRAFFIC STUDY AT NORTHCLIFF AND ANDREW JACKSON TRAIL.

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

RECOMMENDATION:

THAT THE CITY COUNCIL MEET AS THE BOARD OF DIRECTORS OF THE COMMUNITY REDEVELOPMENT AGENCY AND APPROVE THE MODIFIED SCOPE OF THE ANALYSIS AS DESCRIBED ABOVE AND FOR A COST NOT TO EXCEED \$7,850.

B. SUBJECT: DISCUSSION AND ACTION REGARDING CITY OF GULF BREEZE MASTER PLANNING INVOICE FROM VHB.

Reference: City Clerk memo dated October 9, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL MEET AS THE BOARD OF DIRECTORS OF THE COMMUNITY REDEVELOPMENT AGENCY ON MONDAY, OCTOBER 20, 2014, AND APPROVE PAYMENT OF INVOICE NO. 188900 IN THE AMOUNT OF \$1,689.49 TO VHB.

Councilman Landfair moved for approval of Consent Agenda Items A and B. Councilwoman Fitch seconded. The vote for approval was unanimous.

***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.**

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

ACTION AGENDA ITEM:

A. **SUBJECT: DISCUSSION AND ACTION REGARDING UPDATE ON PEYTON
OFFICE BUILDING.**

Reference: City Manager gave verbal report.

Mayor Pro Tem Schluter made a motion to table the matter until additional information can be obtained. Councilman Henderson second. The vote for approval was unanimous.

INFORMATIONAL ITEMS: None

PUBLIC FORUM: None

ADJOURNMENT: Mayor Zimmern adjourned the meeting at 7:19 p.m.

Leslie A. Guyer, City Clerk

Beverly H. Zimmern, Mayor

Councilmembers Present: Joseph Henderson, Cherry Fitch, Mayor Pro Tem J.B. Schluter, and Mayor Beverly Zimmern. Councilman David G. Landfair was not present.

INTERNATIONAL GOLF SERVICES PRESENTATION: 6:00 p.m. – 6:27 p.m.
Phillip Hancock and Fred Settle presented the Council with information regarding their services.

SPECIAL MEETING:

- A. SUBJECT: DISCUSSION AND ACTION REGARDING CITY COUNCIL FINDINGS AS TO THE PURPOSE OF THE EXPENDITURE AND THE BENEFITS ACCRUING TO THE CITY FOR SUPPORTING THE ONE CENT SALES TAX REFERENDUM AND THE BUILDING OF A NEW COURTHOUSE IN SANTA ROSA COUNT.**

Reference: City Manager verbal report

RECOMMENDATION:

THAT THE CITY COUNCIL APPROVE THE EXPENDITURE OF FUNDS SUPPORTING THE ONE CENT SALES TAX REFERENDUM AND BUILDING OF A NEW COURTHOUSE IN SANTA ROSA COUNTY.

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

ACTION AGENDA ITEMS:

- A. SUBJECT: DISCUSSION AND ACTION REGARDING IMPACT OF THE PENSACOLA BAY BRIDGE PROJECT ON WAYSIDE PARK.**

Reference: City Manager memo dated October 23, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL DIRECT THE CITY MANAGER TO SIGN OFF ON THE PROPOSED LETTER INDICATING TO FDOT THAT THE CITY ACCEPTS AND CONCURS WITH THE MITIGATION OF THE IMPACTS ON THE CITY'S WAYSIDE PARK.

Brandon Bruner with the Florida Department of Transportation and Dan Kristoff with Reynolds, Smith and Hills, Inc presented to the Council the proposed mitigation projects.

Mayor Pro Tem Schluter made a motion to place staff's recommendations on the November 3, 2014, Regular Council meeting agenda for approval or modification. The motion was seconded by Councilwoman Fitch. The vote for approval was 3-1 (Councilman Henderson dissenting)

B. SUBJECT: DISCUSSION AND ACTION REGARDING SOUTH SANTA ROSA UTILITY BOARD RECOMMENDATIONS:

Reference: Assistant Director of Public Services memo dated October 23, 2014

1. **PELICAN BAY – REQUEST FROM DEVELOPER REGARDING ASSISTANCE WITH OFFSITE FORCE MAIN CONSTRUCTION COST.**

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE CREDITS AGAINST TAP FEES FOR THE PELICAN BAY DEVELOPMENT IN THE AMOUNT OF \$26,500 FOR REIMBURSEMENT OF OFFSITE FORCEMAIN COSTS.

2. **GREYSTONE APARTMENTS – REQUEST FROM DEVELOPER REGARDING TAP FEES**

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE STAFF TO ASSESS 93 UNITS AT \$5,200 EACH OF CAPACITY FOR THE GREYSTONE APARTMENTS WITH 25% DUE AT SIGNING OF THE FDEP PERMIT AND 75% BALANCE DUE AT THE TIME BUILDING PERMITS ARE ISSUED AND TO RELEASE EASEMENTS AS REQUIRED BY THE OWNER.

3. **PURCHASE OF SEWER CAMERA**

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE THE PURCHASE OF ONE ENVIROSIGHT ROOVER X CAMERA SYSTEM FROM SAMSON EQUIPMENT AT A COST OF \$94,402.90.

4. **PAVING OF GOLF COURSE/WASTE WATER TREATMENT PLANT (WWTP) ENTRANCE ROAD**

RECOMMENDATION:

THAT THE CITY COUNCIL APPROVE THE CONTRACT WITH J MILLER CONSTRUCTION FOR THE GOLF COURSE ENTRANCE ROAD AND REPAVING PROJECT IN THE AMOUNT OF \$146,368.45.

5. WASTE WATER TREATMENT PLANT (WWTP) MINOR MODIFICATION PERMIT & WEST COURSE PUMP HOUSE REPLACEMENT

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE BASKERVILLE-DONOVAN TO COMPLETE THE WWTP MINOR PERMIT MODIFICATION FOR \$2,500.00 AND THE WEST COURSE PUMP HOUSE DESIGN FOR \$53,786.00.

Councilman Henderson made a motion to place staff's recommendations on the November 3, 2014, Regular Council meeting agenda. The motion was seconded by Mayor Pro Tem Schluter. The vote for approval was unanimous.

C. SUBJECT: DISCUSSION AND ACTION REGARDING RECOMMENDATION FROM THE SOUTH SANTA ROSA UTILITY SYSTEM BOARD.

Reference: Assistant Director of Public Service memo dated October 10, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL APPROVE A \$2.00 PER METER TECHNOLOGY FEE BE INSTITUTED FOR A PERIOD OF FIVE YEARS SUBJECT TO ADVERTISING AND PUBLIC HEARING AS REQUIRED.

Councilman Henderson made a motion to place staff's recommendations on the November 3, 2014, Regular Council meeting agenda. The motion was seconded by Councilwoman Fitch. The vote for approval was unanimous.

D. SUBJECT: DISCUSSION AND ACTION REGARDING CENTRAL STORMWATER DIVISION WATERSHED SURVEYING.

Reference: Director of Public Services Manager memo dated October 14, 2014.

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE RUBEN SURVEYING AND MAPPING TO PERFORM WATERSHED SURVEY OF THE CENTRAL STORMWATER DIVISION FOR AN AMOUNT NOT TO EXCEED \$38,000.

Councilman Henderson made a motion to place staff's recommendation on the November 3, 2014, Regular Council meeting agenda. The motion was seconded by Councilwoman Fitch. The vote for approval was unanimous.

E. SUBJECT: DISCUSSION AND ACTION REGARDING AUTHORIZATION FOR PAYMENT OF WATERSHED SURVEY FOR EASTERN STORMWATER DIVISION.

Reference: Director of Public Services memo dated October 14, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE PAYMENT OF \$37,738.75 TO RUBEN SURVEYING AND MAPPING FOR WATERSHED SURVEY OF THE EASTERN STORMWATER DIVISION.

Councilwoman Fitch made a motion to place staff's recommendation on the November 3, 2014, Regular Council meeting agenda. The motion was seconded by Councilwoman Fitch. The vote for approval was unanimous.

F. SUBJECT: DISCUSSION AND ACTION REGARDING ENGINEERING SERVICES FOR INSTALLATION OF 4" GAS MAIN ACROSS THE SABINE INLET, PENSACOLA BEACH.

Reference: Director of Public Services memo dated October 22, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE BASKERVILLE-DONOVAN TO PROVIDE ENGINEERING SERVICES FOR DESIGN, PERMITTING AND BID OF A 4" GAS MAIN ACROSS SABINE INLET ON PENSACOLA BEACH FOR \$39,580.00

Councilman Henderson made a motion to place staff's recommendations on the November 3, 2014, Regular Council meeting agenda. The motion was seconded by Mayor Pro Tem Schluter. The vote for approval was unanimous.

G. SUBJECT: DISCUSSION AND ACTION REGARDING HIGH WATER MARK INITIATIVE.

Reference: Jim Cox, Stormwater Information Officer memo dated October 3, 2014

RECOMMENDATION:

THAT THE CITY OF GULF BREEZE JOIN WITH SANTA ROSA COUNTY IN PARTICIPATING IN FEMA'S HIGH WATER MARK INITIATIVE.

Councilwoman Fitch made a motion to place staff's recommendations on the November 3, 2014, Regular Council meeting agenda. The motion was seconded by Mayor Pro Tem Schluter. The vote for approval was 3-1 (Councilman Henderson dissenting)

H. SUBJECT: DISCUSSION AND ACTION REGARDING SECOND PAYMENT OF SERVICES FOR ADJUSTERS INTERNATIONAL.

Reference: Finance Director memo dated October 16, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL APPROVE AND AUTHORIZE PAYMENT OF FISCAL YEAR ADJUSTERS INTERNATIONAL INVOICES IN THE AMOUNTS OF \$12,281.86, \$9,856.16 AND \$4,335.00 totaling \$26,473.02.

Mayor Pro Tem Schluter made a motion to place staff's recommendations on the November 3, 2014, Regular Council meeting agenda. The motion was seconded by Councilwoman Fitch. The vote for approval was unanimous.

I. SUBJECT: DISCUSSION AND ACTION REGARDING PAYMENT OF WEST FLORIDA REGIONAL TRASPORATION PLANNING ORGANIZATION AND BAY AREA RESOURCE COUNCIL 2015 DUES.

Reference: City Clerk memo dated October 24, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL APPROVE PAYMENTS OF \$223.00 TO THE NORTH WEST FLORIDA RESOURCE PLANNING COUNCIL FOR STAFF SUPPORT OF THE TPO AND \$1,500 TO THE BAY AREA RESOURCE COUNCIL FOR ANNUAL MEMBERSHIP.

Mayor Pro Tem Schluter made a motion to place staff's recommendations on the November 3, 2014, Regular Council meeting agenda. The motion was seconded by Councilman Henderson. The vote for approval was unanimous.

J. SUBJECT: DISCUSSION AND ACTION REGARDING PURCHASE OF CHEVY TAHOE POLICE VEHICLE.

Reference: Director of Public Services memo dated October 28, 2014

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE THE PURCHASE OF ONE (1) 2014 CHEVROLET TAHOE VEHICLE, VIN#1GNSKBE04ER234899, FROM ALAN JAY FLEET SALES FOR \$35,569 AND AUTHORIZE MELTON FUELING TO INSTALL CNG CONVERSION FOR \$9,985.00.

Mayor Pro Tem Schluter made a motion to place staff's recommendations on the November 3, 2014, Regular Council meeting agenda. The motion was seconded by Councilwoman Fitch. The vote for approval was unanimous.

K. SUBJECT: DISCUSSION AND ACTION REGARDING COMPLIANCE WITH 2015 TRUTH IN MILLAGE REQUIREMENTS.

Reference: Director of Budget memo dated October 24, 2014.

RECOMMENDATION:

THAT THE CITY COUNCIL HOLD A PUBLIC HEARING ON MONDAY, NOVEMBER 3, 2014 AND APPROVE A RESOLUTION ESTABLISHING A FINAL MILLAGE RATE OF 1.93095 AND A BUDGET FOR FISCAL YEAR 2015.

Councilman Henderson made a motion to place staff's recommendations on the November 3, 2014, Regular Council meeting agenda. The motion was seconded by Mayor Pro Tem Schluter. The vote for approval was unanimous.

L. SUBJECT: DISCUSSION AND ACTION REGARDING OPERATIONAL AND FEASIBILITY STUDY: TIGER POINT GOLF CLUB.

Reference: City Manager memo dated October 23, 2014.

This item was tabled until further information can be obtained and cancel the Workshop Scheduled

NEW ITEMS: none

INFORMATION ITEMS: none

PUBLIC FORUM:

- Matt Dannheisser, 706 Peake's Point and Renee Bookout, 522 Fairpoint Drive, Gulf Breeze spoke regarding the proposed mitigation projects by FDOT.

ADJOURNMENT: Mayor Zimmern adjourned the meeting at 7:51 P.M.

City of Gulf Breeze

Memorandum

To: Edwin A. Eddy, City Manager

From: Curt Carver, Deputy City Manager

Date: 10/31/2014

Subject: Final 2015 levy and budget resolution

As was previously reported the City was notified by the Department of Revenue (DOR) that we are in violation of certain provisions of the Truth in Millage (TRIM) requirements. Errors were made in the original advertised notice and the Form DR-420. To correct these violations, the following actions were needed:

1. Publish a new notice and hold another final hearing on the levy and budget. Notice was published in the October 30th Gulf Breeze News and November 1st Pensacola News Journal.
2. Pass a new levy and budget resolution by November 11th.

The enclosed levy resolution maintain the 2.65% increase over the prior year rolled-back rate as originally presented to the public. This will result in a lower millage rate of 1.93095. This will reduce the levy from \$1,284,012 to \$1,257,093 for a difference of \$26,919. The budget provides for a corresponding reduction in taxes and an equal increase in the transfer from GBFS/CTA to make up for the loss in tax revenues.

Should you need any additional information, please do not hesitate to contact me.

Recommendation: That the City Council hold a public hearing on Monday, November 3, 2014 and approve Resolution 27-14 establishing a final millage rate of 1.93095 and Resolution 28-14 making appropriations for FY15.

Enclosures

RESOLUTION NO. 27-14

A RESOLUTION LEVYING AN AD VALOREM PROPERTY TAX FOR THE CITY OF GULF BREEZE FOR 2014; PROVIDING AN EFFECTIVE DATE.

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

SECTION 1:

An ad valorem tax of 1.93095 mills is levied for 2014 against all property, both real and personal, not exempt from taxation within the corporate limits of the City of Gulf Breeze.

SECTION 2:

The 2014 ad valorem tax rate of 1.93095 mills constitutes a 2.65% increase from the Rolled-Back Rate (1.8811) as calculated according to Chapter 200, Florida Statutes.

SECTION 3:

This resolution shall take effect immediately upon its adoption by the City Council and shall be published as required by law.

ADOPTED: November 3, 2014

APPROVED: _____
Beverly H. Zimmern, Mayor

ATTEST:

Leslie A. Guyer, City Clerk
Stephanie D. Lucas, City Clerk

RESOLUTION NO. 28-14

A RESOLUTION TO BE ENTITLED:

A RESOLUTION ADOPTING A BUDGET FOR THE CITY OF GULF BREEZE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, MAKING APPROPRIATIONS FOR THE PAYMENT OF THE EXPENSES OF THE CITY GOVERNMENT AND ALL DEPARTMENTS THEREOF AND FOR THE PAYMENT OF ACCOUNT OF THE BONDED INDEBTEDNESS OF THE CITY FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, REPEALING CLAUSE AND EFFECTIVE DATE.

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

SECTION 1:

That the appropriation hereinafter made are based on the estimates contained in the Budget, as indexed, submitted by the City Manager, as afterwards revised, approved and adopted by the City Council for the payment of the expenses of the City Government and all Departments of the City, and on account of the bonded indebtedness, as the same as set forth in said Budget so adopted, copies of which are on file in the Office of the City Manager, and to which reference may be made;

That said budget summarized as to estimated revenues, transfers and appropriations for fund is set forth herein;

That there is estimated that there be will received and available for appropriation for the Fiscal Year beginning October 1, 2014 the amounts of revenues as listed according to the respective funds; detailed by source, type, and account as set forth in said Budget;

That there be and is hereby appropriated the sums shown for the various purposes hereinafter specified, for the Fiscal Year beginning October 1, 2014, provided from the sources of revenue hereinbefore designated;

That there is determined that certain transfer of funds will be required during the Fiscal Year beginning October 1, 2014, and such transfers are hereby authorized as set forth herein:

Revenues:	General Fund	Urban Core Redevel	GB Financial	Natural Gas Fund	SSRUS Fund	Tiger Point Golf	Solid Waste Fund	Water & Sewer Fund	Stormwater Fund	Traffic Citation Fund	Totals
Ad Valorem	1,257,093	843,665									2,100,758
Non Ad Valorem Taxes	1,368,525										1,368,525
Grant Revenue	589,008										589,008
Sales Revenue	247,554		610,273	2,441,120	4,702,000	1,883,000	592,940	2,365,000	234,499	540,000	13,616,386
Fines & Judgements	193,163										193,163
Misc. Revenues	233,100			8,000	473,170			28,500			742,770
Transfers	1,216,754		167,999		378,892	553,045					2,316,690
Govt Interfund	266,191										266,191
GBFS CTA Transfer	851,919										851,919
TOTAL:	6,223,307	843,665	778,272	2,449,120	5,554,062	2,436,045	592,940	2,393,500	234,499	540,000	22,045,410

Expenditures:	General Fund	Urban Core Redevelop	GB Financial	Natural Gas Fund	SSRUS Fund	Tiger Point Golf Fund	Solid Waste Fund	Water & Sewer Fund	Stormwater Fund	Traffic Citation Fund	Totals
Personnel Payments	2,391,782	-	86,299	436,119	1,095,288	1,005,733	113,662	336,495	119,714	-	5,585,092
Taxes & Benefits	723,383	-	24,651	135,705	331,029	197,917	12,338	84,642	29,700	-	1,539,365
Prof & Contract Services	564,054	200,000	58,180	931,500	632,500	114,500	7,500	770,338	15,000	30,000	3,323,572
Operation & Repairs	730,791	70,000	14,580	176,200	635,200	369,100	324,276	145,900	11,900	336,020	2,813,967
Supplies & Fuel	478,075	2,000	45,744	145,500	282,200	633,900	4,500	59,600	2,500	25,000	1,679,019
Debt Service	478,475	-	-	208,469	1,442,450	-	-	189,596	39,416	-	2,358,406
Contributions & Grants	-	-	12,000	-	-	-	-	-	-	-	12,000
Transfers In/Out	193,019	276,691	500,000	201,191	274,617	114,895	84,000	576,040	16,269	88,980	2,323,702
	5,539,579	548,691	741,454	2,234,684	4,693,284	2,436,045	546,276	2,162,611	234,499	480,000	19,637,123
Capital	470,000	294,974	-	149,295	660,500	-	-	157,000	-	-	1,731,769
SUB TOTAL:	6,029,579	843,665	741,454	2,383,979	5,353,784	2,436,045	546,276	2,319,611	234,499	480,000	21,368,892
RESERVES:	193,728	-	36,818	65,141	200,278	-	46,664	73,889	-	60,000	676,518
TOTAL:	6,223,307	843,665	778,272	2,449,120	5,554,062	2,436,045	592,940	2,393,500	234,499	540,000	22,045,410

SUMMARY OF PROPOSED FUND TRANSFERS
FISCAL YEAR 2014-2015

REIMBURSEMENTS: For Internal Services

<u>FROM:</u>	<u>TO:</u>	
Solid Waste	General Fund	\$ 82,633
Water Utility Services	General Fund	\$ 107,417
Sewer Utility Services	General Fund	\$ 89,991
Natural Gas Utility Services	General Fund	\$ 201,191
South Santa Rosa Utility System	General Fund	\$ 277,965
Tiger Point	General Fund	\$ 114,895
Stormwater	General Fund	\$ 16,269
Red Light Camera	General Fund	\$ 88,980
Natural Gas Loan	General Fund	\$ 208,469
911 Fund	General Fund	\$ 28,944
		\$ 1,216,754

CONTRIBUTIONS:

<u>FROM:</u>	<u>TO:</u>	
Gulf Breeze Financial Services	General Fund	\$ 500,000
Capital Trust Agency	General Fund	\$ 351,919
		\$ 851,919

SECTION 2:

This budget shall be administered in strict adherence to the Charter and Code of Ordinances of the City of Gulf Breeze, as amended, the Laws of the State of Florida, applicable bond covenants, and the Budget Manual as adopted by the City Council. Amendments to this budget shall be only by Supplemental Appropriations Resolution for all revenues and for all expenditures by fund and by object code; provided further that the City Manager is authorized to approve transfers of appropriated expenditures between those sub-object codes within the object codes of each fund.

SECTION 3:

All resolutions or parts of resolutions in conflict herewith are hereby repealed.

SECTION 4:

This resolution shall take effect upon its adoption by City Council immediately and shall be published as required by law.

PASSED AND ADOPTED by the City Council of the City of Gulf Breeze, Santa Rosa County, Florida, on the 3 day of November, 2014.

APPROVED:

Beverly H. Zimmern, Mayor

ATTEST:

Leslie A. Guyer, City Clerk
Stephanie D. Lucas, City Clerk



City of Gulf Breeze

TO: Edwin A. Eddy, City Manager

FROM: Vernon L. Prather, Director of Public Services *V.L.P.*

DATE: October 28, 2014

RE: **VEHICLE PURCHASE REVISION**

I regret to inform you that the 2013 Chevrolet Tahoe approved by City Council on 10/20/14, was sold to another municipal customer. We contacted the dealer early Tuesday morning following the City Council meeting and were advised at that time, the unit had been sold.

The 2013 model was a rare find as a subsequent search has not yielded another by similar model. We continued our research and finally located a 2014 Chevrolet Tahoe (on Florida Sherriff's Association State Contract) for \$35,599 which includes delivery to Gulf Breeze. With a CNG conversion cost of \$10,000 less State of Florida rebate of \$5,000 equals a final vehicle cost of \$40,569.

The attached literature provides an overview of CNG conversions discussing the importance of adhering to the standards set forth by the industry and various governmental regulations. While CNG is a safe alternative fuel, conversion components and installers must be certified in order to ensure compliance with safety, emission, and other federal regulations.

The cost of a CNG conversion is greatly influenced by the model of vehicle to be converted, complexity involved and the material of the CNG storage tank. There is a significant cost difference based on the size and material selection for the tank. For example the fuel tank selected for the Tahoe is a type (3) which is a carbon fiberglass composite wrapped steel or aluminum lined tank which costs approx. \$3,200. These tanks were developed due to the higher CNG storage volume and lower weight than steel.

There are a limited number of certified CNG installer located in the southeast. Typically the installer will be aligned to a particular vehicle manufacturer (Chevrolet, Dodge, Ford, etc.) in order to have a replication of work. It should be noted that specific requirements must be met for each individual model and engine family. For instance, a Chevrolet Malibu will be a different conversion than a Ford Fusion, although they are both mid-size sedans from their respective manufacturers.

Staff previously solicited quotes from certified installers for the CNG conversion and presented the following pricing for converting the Tahoe to Bi-Fuel CNG:

Melton Fueling, LLC, Birmingham	\$9,985.00
Precision Alternative Fuel, Tampa	\$11,000.00

Staff recommended Melton Fueling Inc. (a certified installer) to convert the Chevrolet Tahoe; as they have converted 35 Police vehicles for the Trussville Police Dept. and were also at a lower cost. The pricing is the same for model year 2013 or 2014 Tahoe.

The FY 2015 Natural Gas Budget provides funding to purchase two (2) CNG vehicles for \$88,000 or \$44,000 each. Final vehicle cost will be \$3,400 under budget. This vehicle is designated to replace a 2006 Durango with 94,000 miles.

The Tahoe will be useful to demonstrate/test this unit for suitability as a CNG police duty vehicle, and general transportation.

RECOMMENDATION: CITY COUNCIL AUTHORIZE THE PURCHASE OF ONE (1) 2014 CHEVROLET TAHOE VEHICLE, VIN# 1GNSKBE04ER234899, FROM ALAN JAY FLEET SALES FOR \$35,569.

RECOMMENDATION: CITY COUNCIL AUTHORIZE MELTON FUELING TO INSTALL CNG CONVERSION OF ONE (1) 2014 CHEVROLET TAHOE VEHICLE, VIN# 1GNSKBE04ER234899, FOR \$9,985.00

ALAN JAY FLEET SALES

Call Us first, for all of your Fleet Automotive, & Light Truck needs.

Quote

PHONE (800) ALANJAY (252-6529)	DIRECT 863-402-4292	WWW.ALANJAY.COM	1233-4
Corporate 2003 U.S. 27 South	MOBILE 863-991-4693	Mailing P.O. BOX 9200	
Office Sebring, FL 33870	FAX 863-402-4221	Address Sebring, FL 33871-9200	

QUICK QUOTE SHEET

PAGE 1 of 1

REQUESTING AGENCY:	GULF BREEZE, CITY OF	REVISED QUOTE DATE:	10/28/2014
ORIGINAL QUOTE DATE:	10/22/2014	QUOTED BY:	Scott Wilson
CONTACT PERSON:	HARROLD HATCHER		
PHONE NUMBER:	850-934-5136		
FAX NUMBER:	850-934-5114	EMAIL:	HHATCHER@GULFBREEZEFL.GOV

FLORIDA SHERIFF'S ASSOCIATION BID #'s 12-20-0905 & 12-10-0905 www.flsheriffs.org

MODEL:	CC10706	SPECIFICATION #:	23
	2014 CHEVY TAHOE 2WD	PAGE #:	425
		BASE DISTRICT PRICE:	\$28,925.00

BED LENGTH	SUV		
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**All vehicles will be ordered white w/ darkest interior unless Clearly stated otherwise on purchase order.

FACTORY OPTIONS	DESCRIPTION	PRICE
50U 193	VIN#: 1GNSKB04 ER234899 READY FOR IMMEDIATE DELIVERY EXTERIOR COLOR SUMMIT WHITE WITH EBONY INTERIOR	\$0.00
1LT	1LT UPGRADES: Upgraded Radio with USB port, XM Satellite Radio, Blue Tooth, Rear Headphone Jacks, Bucket Seats w/ Center console, Carpet Floors, Rubber Mats 2 add'l 12V plugs, pwr passenger seat, Leather wrapped steering wheel w/ audio controls, body color door handles, body side molding, luggage center rails, tow hooks, & aluminum wheels. Leather Seats Smooth ride Suspension, HD Locking rear differential, & Rear Park Assist.	\$6,390.00
	FACTORY OPTIONS	\$6,390.00

CONTRACT OPTIONS	DESCRIPTION	PRICE
3BLS	3rd Brake Light Safety Pulse (Pulses 3rd Brake Light (4) times upon application of brake pedal to increase driver awareness behind you when stopping)	\$229.00
TEMP	TEMPORARY TAG	\$25.00
	EXTENDED WARRANTY DECLINED	\$0.00
	CONTRACT OPTIONS TOTAL	\$254.00

NON-IDENTIFIED CONTRACT OPTIONS	DESCRIPTION	PRICE
	NON-IDENTIFIED CONTRACT OPTIONS TOTAL	\$0.00

TRADE IN		TOTAL COST
	YES WE TAKE TRADE INS ~~~ ASK ABOUT MUNICIPAL FINANCING ~~~	\$35,569.00
	TOTAL COST LESS TRADE IN(S):	QTY 1 = \$35,569.00

Comments:

VEHICLE QUOTED BY: Scott Wilson FLEET SALES MANAGER scott.wilson@alanjay.com

"I Want to be Your Fleet Provider"

I appreciate the opportunity to submit this quotation. Please review if carefully. If there are any errors of changes, please feel free to contact me at any time. I am always happy to be of assistance.

COMPRESSED NATURAL GAS (CNG) CONVERSION OVERVIEW

CNG is an alternative vehicle fuel whereby natural gas is compressed into high pressure, on board, storage vessels (typically 3600 psi) to provide fuel for the vehicle. The vehicle can be either bi-fuel (gasoline and CNG) or dedicated (natural gas only). Operationally, the natural gas is then feed to the engine through pressure reducing regulators and injected into the engine. The fuel rail and injector components are specifically designed for CNG service to meet stringent emission requirements.

CNG Buyers Beware:

Today there are a variety of non-EPA certified systems that are sold on the Internet and/or offered by automotive shops. Because they are illegal according to federal laws, reputable “qualified system retrofitters” will not install them. However, consumers that do choose to purchase non-EPA certified systems should be extremely cautious and obtain information from the person installing such the systems to ensure that the equipment they use and the installation is safe. Certification is legally required by EPA and CARB. The fact that a system is certified for use in another country does not mean that it meets U.S. EPA or CARB requirements as most other countries have less strict vehicle emissions laws and currently neither EPA nor CARB recognize foreign certifications. In addition, currently there are currently no federal installer certification requirements. Therefore, buyers should beware of shops touting that they are federally certified to do such installations. While a variety of non-certified systems are sold on the Internet and/or offered by some automotive shops, EPA has taken the position that installation of these systems is “tampering with a federally approved emission control system”, a federal violation punishable by a substantial financial penalty (more than \$5000/day). Many of these non-certified systems are allowed in other countries that have less strict vehicle emissions and safety laws.

Cylinder attachment brackets are designed to secure the cylinder in place and to prevent slippage, loosening or rotation. It is the installer’s responsibility to confirm the installation complies with the following codes and regulations; ANSI/NFPA 52 Vehicular Fuel Systems Code, CGA B149.4 M1991 NGV Installation Code, FMVSS 304, CSA B109 Natural Gas for Vehicles Installation Code and ANSI/AGA NGV3.1/CGA 12.3, Fuel Systems Components for Natural Gas Powered Vehicles. All cylinders shall have an approved Pressure Relief Device (PRD) that meets manufacturer’s requirements. Cylinders shall be properly matched to the space requirements as well as weight constraints.

Conversion Kits Certification:

A limited number of U.S. vehicles are currently certified for CNG conversion. Each conversion must meet stringent EPA and/or California Air Resources Board (CARB) requirements. Installation of an engine conversion package and fueling system may be done after the vehicle has been in service or when the vehicle is first purchased. EPA and CARB require that Small Volume Manufacturers (SVMs) provide appropriate documentation and training to installers of their systems, commonly referred to as qualified system retrofitters (QSR).

Installation by a non-qualified installer could damage the retrofit equipment or the engine (or both).

compromise vehicle performance, or render the vehicle unsafe to operate. No EPA- or CARB-certified engine conversion systems should be sold to untrained/unapproved installers.

This is not to be installed in your own garage or by the local untrained mechanic. Some SVMs prefer to install their systems themselves at their corporate facilities while other SVMs choose not to install their own equipment opting instead to sell their systems only through QSRs. Typically, the QSR is responsible for obtaining the fuel storage system components (cylinders, high-pressure tubing, pressure release device (PRD), brackets, protective plates, etc) and installing these components in accordance with the National Fire Protection Associations (NFPA) Vehicular Fuel Systems Code (NFPA 52).

A Certificate of Conformity (certificate) from EPA or an Executive Order (EO) from CARB applies to a specific engine families. To obtain a Certificate or EO, (SVMs) must submit substantial emissions performance data and related documentation to the EPA and/or CARB for review. Additionally, new SVMs may be asked to submit a converted vehicle to the EPA or CARB for rigorous testing to verify this data. This testing assures that the retrofitted vehicle meets the same stringent emissions requirements as the original equipment manufacturers (OEM). The testing also ensures that the retrofit system works seamlessly with the OEMs on-board diagnostics system.

Non-certified systems usually do not meet this important criteria and often fail state or local emissions tests. The process of engineering, manufacturing, installing, pre-testing and then submitting a proposed retrofit system to an EPA and or CARB approved laboratory for certification is a time-consuming and expensive process that may cost as much as \$100,000 or more per engine family. SVMs recoup this R&D investment by amortizing the cost across the expected sales volume, adding it to the price they charge for the various conversion kits.

Florida Natural Gas Fuel Fleet Vehicle Rebate

In July 2013 pursuant to Section 377.810(3), F.S. the State of Florida through the Department of Agriculture initiated a Natural Gas Fuel Fleet Vehicle Rebate Program which applies to any applicant who is an owner or lessee of fleet vehicles placed into service on or after July 1, 2013 to be eligible for a maximum rebate of \$25,000.00 per purchased, leased, or converted vehicle, not to exceed 50 percent of eligible costs. Applicants must include an itemized list of supporting documentation one of which is- A copy of the Environmental Protection Agency Certificate of Conformity with the Clean Air Act of 1990 that corresponds with the vehicle's engine or installed conversion kit, or documentation that the installed conversion system is an Environmental Protection Agency Certified Alternative Fuel Conversion System, Intermediate Age Clean Alternative Conversion System, or Outside useful Life Clean Alternative Fuel Conversion System.

Memo

To: Edwin Eddy, Curt Carver
From: Steve Milford
Date: October 24, 2014
Re: Results of State Sales Tax audit of the City of Gulf Breeze



On October 24th 2014 the City received a notice of formal findings from the Florida Department of Revenue on the completed sales tax audit. As we have previously discussed, the sales tax audit of the City found that a 'license to access municipal facilities' is subject to state sales tax collection, which the State specifically applied to the City's boat launch revenues retroactively to 2011, resulting in an assessment of \$13,062.73 in back sales taxes. Reviews of sales tax calculations at Tiger Point found no major problems, but identified approximately \$692 in assessed taxes due to errors in sales tax calculations at the beverage cart and at the bar. Additionally, the State assessed \$1,765 in sales taxes as a result of an audit of natural gas sales to commercial customers due to incorrect coding of service addresses (commercial locations coded as residential for sales tax calculation purposes).

This is the first sales tax audit the City has been subject to (as far as existing staff are aware). The City has corrected the erroneous natural gas codings, and has corrected the manner of calculation of sales taxed for Tiger Point sales, and is now including the boat launch revenues in the determination of sale taxes due.

Due to the nature of the errors, the State has waived all penalties associated with the audit and the assessed findings, but is required to assess interest on the assessment of \$2,353.53 plus \$2.98 per day for payment subsequent to October 24, 2014 (approximately 6.9% annual interest rate).

In order to close the audit, the City must indicate agreement or that it disputes the findings and pay the interest and back assessment totaling \$17,873.90 plus daily interest.

Recommendation:

That the City Council accept the findings of the Department of Revenue sales tax audit and authorize the payment of the interest and back assessment totaling \$17,873.90 plus daily interest.



Executive Director
Marshall Stranburg

Pensacola Service Center

3670 North L Street, Bldg. C
Pensacola, Florida 32505-5217

RECEIVED
OCT 24 2014

BY:.....

OCTOBER 23, 2014

MS ANNE MARIE DEMATTEO
CITY OF GULF BREEZE
P.O. BOX 640
GULF BREEZE, FL 32562-0640

RE: Notice of Intent to Make Audit Changes (DR-1215)
Audit # 200160941

Dear MS DEMATTEO,

Enclosed is the Notice of Intent to Make Audit Changes (DR-1215) summarizing the results of your audit. You have thirty (30) days to review these findings and discuss any concerns with me or my supervisor, Jane C. Sturgill.

Your penalty has been waived based on the "reasonable cause" guidelines as outlined in the Florida Administrative Code Rule 12-13.007.

If you agree with the audit findings, please sign and date the Notice of Intent to Make Audit Changes. Return the signed form with a check (**for tax and interest only**) made payable to the Florida Department of Revenue to the address noted above. Interest continues to accrue on the unpaid portion of tax from the "Interest through date" until the postmark or hand delivered date of your payment.

If you do not agree with the audit findings you may follow the directions listed on the front of the Notice of Intent to Make Audit Changes. The 'Notice of Taxpayer Rights' attached to this letter contains further protest rights.

If we do not hear from you within 30 days, your audit file will be sent for the formal billing. The formal billing will be the issuance of the Notice of Proposed Assessment.

If I can be of further assistance, please feel free to call me at the phone number listed below.

Sincerely,

Jeffrey C Peacher
Tax Auditor

NOI Date: 10/23/2014

Taxpayer: CITY OF GULF BREEZE
BP #: 768443

Audit #: 200160941
Period: 02/01/2011 through 01/31/2014

Summary Total

Taxes Under Chapter 212, F.S.

	State Tax	County Tax(es)	Summary Total
Tax Due	\$14,112.56	\$1,407.81	\$15,520.37
Penalty	7,056.28	703.92	7,760.20
Fraud Penalty	0.00	0.00	0.00
Interest	2,153.14	200.39	2,353.53
Total	\$23,321.98	\$2,312.12	\$25,634.10
Payments Received Prior To 10/23/2014			\$0.00
			\$25,634.10
* Penalty Waiver			(\$3,880.10)
Mandatory/Specific Penalty(ies)			\$0.00
Balance Due As Of 10/23/2014			\$21,754.00

* Pursuant to Section 213.21(3)(a), F.S., your liability for penalties in excess of 25% of the tax has been compromised based on the Department's determination that there is no evidence of willful negligence, willful neglect, or fraud.

Daily Interest Calculations:

A. Fixed Rate: _____ 0.00 X _____ days= _____

B. Market Rate: _____ \$2.98 X _____ days= _____

Total Additional Interest: (A+B) = _____

The Market Rate is updated every January 1 and July 1. If you make a payment after either of these dates, please include the correct interest rate in your calculations.

AN AUDIT OF YOUR BOOKS AND RECORDS PURSUANT TO SECTION 212.12(6) AND/OR (7), FLORIDA STATUTES, HAS REVEALED CERTAIN TAX DEFICIENCIES. THE BASIS FOR EACH SEPARATE TYPE OF ADJUSTMENT IS FOUND WITHIN THE EXPLANATION OF ITEMS FOR EACH EXHIBIT.

Summary Total

W nFMT v4.0 Bld 2.0

Page Number: _____

NOTICE OF TAXPAYER RIGHTS

Please review the *Notice of Intent to Make Audit Changes*, the *Explanation of Items* for each exhibit, and all supporting schedules and workpapers. Make sure that you understand the adjustments and ask for an explanation of unclear issues.

If you overpaid tax, penalty or interest and want to request a refund:

For taxes other than corporate income tax, please complete and submit an *Application for Refund*.

If you overpaid corporate income tax, please sign and return the *Notice of Intent to Make Audit Changes*.

If you agree with the changes and owe additional tax, penalty or interest:

We encourage you to sign the notice, and pay the amount due. If you cannot pay the amount in full, contact the auditor to discuss possible payment options. Additional daily interest accrues on unpaid tax through the date paid. The additional daily interest amount appears on the *Notice of Intent to Make Audit Changes*.

If you pay all or a portion of the liability:

Make your check or money order payable to the Florida Department of Revenue;

Include any additional daily interest that may be due;

Attach your check or money order to a copy of this notice and mail both to the office address on the notice.

If you do not agree with the changes:

You have 30 days from the date of the *Notice of Intent to Make Audit Changes*, to request a conference with the auditor or auditor's supervisor. Mail or fax your written request for a conference, to the office that issued the Notice.

Protest Opportunities

When the informal conference period expires, you will receive a *Notice of Proposed Assessment* (NOPA) which provides you with official notice of the amount due and instructions for filing an informal or formal protest.

If you do not agree with the amounts reflected on the NOPA, you may request a review through one of the following:

Informal protest;
Administrative hearing;
Judicial proceeding

You have 60 days from the NOPA date, to file an informal protest. If you cannot file your protest timely, you may request an extension no later than 60 days from the NOPA date. Mail your written informal protest or request for extension to:

Technical Assistance & Dispute Resolution
P.O. Box 7443
Tallahassee, FL 32314-7443

Or you can fax your protest letter or request for extension to 850-245-5981. If you fail to request an extension or file an informal written protest timely, the proposed assessment will become a *Final Assessment*.

If you choose to request either an administrative hearing or judicial proceeding, you must file the request no later than 60 days from the date the assessment becomes a *Final Assessment*. You must file the petition for an administrative hearing with the Department of Revenue. For judicial proceedings, you must file a complaint with the appropriate Clerk of the Court.

The protest procedures also appear on the DOR web page. The address is: http://dor.myflorida.com/dor/taxes/how_to_pay.html

Summary of Exhibits for: Schedule A

Taxes Under Chapter 212, F.S.

Exhibit #	A01 Additional Tax Due	A02 Additional Tax Due	A03 Additional Tax Due	A04 Additional Tax Due	Total Additional Tax Due
Feb 2011	0.00	0.00	51.55	0.00	51.55
Mar 2011	0.00	0.00	415.68	0.00	415.68
Apr 2011	0.00	0.00	1,038.25	0.00	1,038.25
May 2011	0.00	0.00	1,111.44	0.00	1,111.44
Jun 2011	0.00	0.00	784.16	0.00	784.16
Jul 2011	0.00	0.00	542.17	0.65	542.82
Aug 2011	0.00	0.00	343.66	0.65	344.31
Sep 2011	0.00	0.00	130.07	0.84	130.91
Oct 2011	0.00	0.00	80.67	0.75	81.42
Nov 2011	0.00	0.00	34.06	0.74	34.80
Dec 2011	0.00	0.00	13.98	0.75	14.73
Jan 2012	0.00	0.00	30.03	1.07	31.10
Feb 2012	0.00	0.00	19.50	0.79	20.29
Mar 2012	0.00	0.00	391.11	0.87	391.98
Apr 2012	0.00	0.00	1,207.31	0.82	1,208.13
May 2012	0.00	0.00	1,046.37	1.13	1,047.50
Jun 2012	0.00	0.00	399.49	0.82	400.31
Jul 2012	0.00	0.00	714.81	0.65	715.46
Aug 2012	0.00	0.00	269.30	0.86	270.16
Sep 2012	0.00	0.00	231.86	1.03	232.89
Oct 2012	0.00	0.00	185.32	0.74	186.06
Nov 2012	0.00	0.00	15.41	0.91	16.32
Dec 2012	10.53	14.78	42.51	0.91	68.73
Jan 2013	14.23	11.39	12.81	0.81	39.24
Feb 2013	19.50	13.22	28.99	0.90	62.61
Mar 2013	38.99	16.77	190.65	0.83	247.24
Apr 2013	35.58	2.26	937.76	219.63	1,195.24
May 2013	38.19	28.35	928.53	681.32	1,676.39
Jun 2013	46.99	22.82	658.13	571.96	1,299.90
Jul 2013	52.67	34.59	396.50	127.46	611.22
Aug 2013	30.70	29.44	308.49	75.00	443.63
Sep 2013	33.11	23.97	285.17	67.74	409.99
Oct 2013	25.24	28.46	151.91	0.81	206.42
Nov 2013	18.74	28.34	40.89	0.81	88.78
Dec 2013	15.07	25.72	12.55	1.54	54.88
Jan 2014	12.39	20.26	11.64	1.54	45.83
Totals	\$391.94	\$300.37	\$13,062.73	\$1,765.33	\$15,520.37

A01 Beverage Cart Sales
 A02 Bar Sales
 A03 Boat Ramp Fees
 A04 NATURAL GAS SALES

4

Explanation of Items

Taxpayer: CITY OF GULF BREEZE
BP: 768443

Audit #: 200160941
Audit Period: 02/01/2011 - 01/31/2014

Exhibit: A01 - Beverage Cart Sales

Exhibit Type: Detail
Exhibit Period: 02/01/2011 - 01/31/2014
Tax Issue: Bar / Package Store

Sampling Method:
Source Records: Hard Copy
Tax Rate Type: Concession Stands

Reason for Exhibit:

This exhibit was created to assess additional tax due on the beverage cart sales where the tax was paid at the wrong rate.

Source of Information:

To review this issue I looked at the taxpayer's daily and monthly sales reports, their dr-15's and their beverage cart inventory report.

Terms/Abbreviations Used: n/a

Description of Mathematical Adjustments:

The taxpayer had a sign posted on the beverage cart that sales tax was included in the price. The total receipts were divided by the concession sales rate for Santa Rosa County to get the gross sales for each month. Then the gross sales were subtracted from the gross receipts to come up with the proper tax collected. Next credit was given to sales tax paid and the difference was assessed as additional tax due. This was done in detail for all months that the golf club was open during the audit period. Next the penalties and interest were applied accordingly.

Explanation of Items

Taxpayer: CITY OF GULF BREEZE
BP: 768443

Audit #: 200160941
Audit Period: 02/01/2011 - 01/31/2014

Exhibit: A01 - Beverage Cart Sales

Reference:

An audit of your books and records pursuant to section 212.12(6) and/or (7), Florida Statutes, has revealed tax deficiencies. The local government infrastructure surtax was picked up for this issue as well. These adjustments were made in accordance with the following rules and regulations:

Florida Statutes:

CHAPTERS: 212.02(9)(14)(a)(d)(16)(19), 212.05(1)(a)(2)(3)(4), 212.054, 212.055, 212.06(1)(a)(2)(d)(3), 212.07(1)(a)(2), 212.08(1)(c), 212.12(2)(3)(4)(5)(6), 212.13(1)(2)(3), 212.17(6), 212.18(2)

Florida Administrative Code:

REGULATIONS:

12A-1.011(1)(6), 12A-1.0115(2)(3), 12A-1.016(1)(2), 12A-1.056(1)(a)(4), 12A-1.057(3), 12A-1.080(2)(a), 12A-15.001(1), 12A-15.002(1), 12A-15.006(1)(2)(3), 12A-15.010, 12A-15.012(1)(3)