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301 South Monroe Street
Tallahassee, Florida 32301
(850) 488-4710

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County Attorney
(850) 487-1008

County Administration
Leon County Courthouse
301 South Monroe Street, Suite 502
Tallahassee, Florida 32301
850/488-9962

March 1, 2004

The Honorable John Marks, Mayor
City Hall
300 South Adams Street
Tallahassee, Florida 32301

Dear Mayor Marks,

After reading your letter dated February 27, I do not understand your statement that the City will not allow any audit of City Utilities by the County. You clearly stated at your last commission meeting that an audit was a "great idea" and "I am willing to take a look at it" if the County would pay for such an audit. I would be happy to provide a copy of this tape if you need it. In addition, I recall you stating to citizens and the media at the rally last Wednesday that you were receptive to an audit. Please consult Commissioner Gillum, Rev. Sam Phillips of the SCLC or Ms. Ann Floyd of the NAACP for their views of your public invitation to me for Leon County to pay for the audit, that was featured on the evening news. This marks two distinct forums, on the same day, that you publicly stated your position in support of this audit.

As I stated in my initial letter, I would appreciate any comments the city has on the attached scope of work. I am requesting that the Administrator bring an agenda for the Board to consider at their March 23, 2004 meeting. Ideally this undertaking should be done jointly. The County would like to move forward with the City's cooperation. I have again attached the proposed scope of work for your review.

I reiterate that an independent audit will provide valuable insight to all the residents of our community regarding this very important community asset. Please understand the community demands an independent audit in order to provide relief to their high bills and to quell their concerns.

Sincerely,

Bill Proctor

Bill Proctor
Commissioner

CC Honorable Chairman and Members of the Board of County Commissioners
City Commission
Parwez Alam, County Administrator
Anita Favors, City Manager
Vince Long, Assistant County Administrator
Alan Rosenzweig, Director, Office of Management and Budget

24

Enclosure: Scope of Work for Financial and Performance Audit of the City of Tallahassee Utilities

An equal opportunity/affirmative action employer

Scope of Work for Financial and Performance Audit of the City of Tallahassee Utilities

1) Review of utility bill rates by quadrant and neighborhood for the prior three fiscal years.

2) Specific review through sampling of utility bills.

3) Operational review in determining how the individual utilities (ie gas, electric, water, etc.) purchases/creates fuel and how these determinations translate into rates.

4) Evaluation to determine the appropriateness as to the level of reserves maintained by each utility and the determination if on-going refunds and/or rebates are appropriate.

5) Evaluation of alternative methods for the administering and management of the utilities including but not limited to the following:

A) Creation of a Financial Review Committee (FRC) similar to the current arrangement for the rate making associated with the County's Transfer Station

B) Evaluation regarding the creation of a Citizens Review Committee for all City utilities.

C) Examination as to the creation of an independent authority to operate the City utilities.

6) Evaluation of the overall rate-making process.

7) Evaluation of the annual transfer from the utility funds to the city general fund, with particular emphasis on:

A) Review of unincorporated area residents subsidizing city tax payers through transfers from the utility fund to the city general fund and determination of any dual taxation issues.

B) Analysis of individual property owners increased cost for utilities to support annual transfer versus alternative increase in property tax rates.

8) Evaluate the rate differential between residential customers and major customers receiving reduced rates through utility contracts.