

FINANCIAL MANAGEMENT ADVISORY COMMITTEE MEETING

June 15, 2020 3 PM

ROLL

VICE-MAYOR GEOFF MCCONNELL, COUNCIL LIAISON

HOLLY WHITE, STAFF LIAISON

AMY E. MYERS, CITY ATTORNEY

COMMITTEE MEMBERS

FRED CRISPEN

KATY HEWITT

JASON MOREHOUSE

CHUCK TAYLOR

BRAD THOMAS

Vice-Mayor McConnell called the meeting to order at 3 P.M. He introduced himself and asked the Committee members to do so also. Ms. White and Ms. Myers introduced themselves. Vice-Mayor McConnell gave a brief overview of the Committee's responsibilities and upcoming tasks.

Ms. Myers explained the Sunshine Laws and Public Records to the new Committee members, and if they had any questions to ask Ms. White or Ms. Smith. She said the Committee would be partially an Oversight Committee and partially an Advisory Committee, with two year terms.

Vice-Mayor McConnell said this Committee would be a "think tank", bringing he City new ideas and how to spend our funds more efficiently.

Mr. Thomas volunteered to be the Chair for the Committee.

Ms. White gave a brief history and explained the general materials for the overview. Regarding the Financial Management Policy, the Committee reviewed Resolution 20-109 and the Powerpoint presentation from the Council meeting. Ms. White explained that government accounting was different, more structured on a Fund basis. She explained the different Funds, especially the Utility Fund and the Pier Fund. She explained the CRA Fund and its funding source, the TIF. She brought the 2018 Financial Statement and said it was posted on the website if the Committee members wanted to review, and that 2019 was in process.

Ms. White said she prepared monthly reports for the Council, comparing the current year to the prior year. She continued that this year was unique because of the Hurricane Michael overflow so the revenue was much higher.

For the totals, comparing to FY18, revenue was up 2%. She explained how she used the conservative approach. She reminded the Committee members that the City had no Ad Valorem tax, and that the Gross Sales (Business Tax revenues) were 30% of the budget, and if the Committee members could suggest another source of revenue, that would be fantastic. She said the Council had been proactive the last few years creating assessments such as for Fire, Stormwater, and the CRA.

Vice-Mayor McConnell suggested the Committee members review the Financial Management Policy and offer suggestions. He explained the ideas behind the super-majority and the maintaining of operating capital for three months. He said the plan was for all of the Council to agree to go below the 25% of reserves. Ms. White questioned whether the 25% would be for all of the Funds or only the General Fund, as typically the Utility Fund was over 25%. The Vice-Mayor asked the Committee members to bring back ideas and also consider when the Council wanted to expend funds for something not budgeted, what to be cut from the budget in order to remain level.

Ms. White said the policies were broad and could be tailored. Now when the Council adopted the new budget, it was at department level, and Staff could allocate funds within the Department but not change the bottom line or hire new people without Council approval. She also said funds could not be moved from Fund to Fund. She continued that the City had many capital projects and would furnish the Committee members a listing for the next meeting.

Ms. White said she was working on this year's budget, and trying to coordinate with the Strategic Plan process, and marry the fiscal needs for each Department. She explained for about six weeks that she acted as City Manager inbetween the previous and current City Managers, which put her behind.

Mr. Taylor asked which firm were the current auditors, and Ms. White replied CRI and had been for many years.

Ms. White explained this year, the City was doing a five year overall look for the budget-personnel and capital- which was being inserted into the model and would be fleshed out during the next few weeks.

Mr. Morehouse asked about current fees, and Ms. White said the City was in the process of updating the utility rates. The Impact Fees had been updated last year.

Ms. Myers said the Committee should meet monthly and suggested the third Monday at 3PM.

Mr. Morehouse asked about the "public comments", and Ms. Myers explained that was standard language and would be required when making recommendations, even if no one attended.

Regarding funding, Ms. White explained the City had an immediate hiring freeze, no new Street resurfacing this year as in the past and identifying different sources which could be stopped in order to maintain the 25%. She said after Hurricane Michael, some of the reserves were used but which would be reimbursed with FEMA funds. Ms. White said she felt this year, the financial situation this year would be fine but was concerned about next year. She said she saw a 55%-60% drop in funds for May and explained the time lag in receiving State funds. She reminded that May was not complete as the Gross Sales were due June 20th.

Mr. Crispen asked about the new wastewater facility. Ms. White replied the City already had the land, and by State Statute the plant must be built within the next five to seven years, approximately \$55,000,000. She added that the City had not borrowed any funds for the new City Hall or Public Services buildings. She added that the CRA bonds were a dedicated revenue source.

Ms. Myers added that two CRA bonds were in the pipeline, \$40,000,000 each, to accelerate the CRA projects and ease traffic congestion. Vice-Mayor McConnell said Middle Beach and Back Beach Road were State roads and the City could not control them. He added that if the Council had any additional tasks, Staff would get back with the Committee members. Ms. Myers would draft any policy changes to be presented to the Council to approve or reject.

With nothing further, the meeting was adjourned at 4:08 P.M.

READ AND APPROVED this 20th of July, 2020.



Brad Thomas, Chair

ATTEST:



Jo Smith, Interim City Clerk