

FINANCIAL MANAGEMENT ADVISORY COMMITTEE MEETING

July 20, 2020

ROLL

VICE-MAYOR GEOFF MCCONNELL, COUNCIL LIAISON

HOLLY WHITE, STAFF LIAISON

COMMITTEE MEMBERS

FRED CRISPEN

KATY HEWITT (Via phone)

JASON MOREHOUSE

CHUCK TAYLOR

BRAD THOMAS, CHAIR

Chair Thomas called the meeting to order at 3:00 P.M. Ms. Hewitt joined the meeting via phone. The Chair called for public comment, and there was none.

The June 15, 2020 Minutes were presented for approval. Mr. Taylor made the motion to approve the Minutes as written. Second was by Mr. Crispin and the motion passed by unanimous vote.

ITEM 1 OVERVIEW OF CITY FINANCES/MONTHLY REPORTS. Ms. White explained that she prepared these reports monthly for the Council to let them know how the revenue was going. She said the 9 or 10 accounts were approximately 82%-86% of the General Fund. The Business Tax Receipts (1%) made up approximately 35% of the General Fund, the largest single account. She explained the cash basis, with the revenue indicative of how the COVID affected May, with the Year-To-Date down 19%. Ms. White said the City had a very good Fall relative to last year which helped. She said when planning the FY20, the City ignored FY19 because of Hurricane Michael and the resulting inflated numbers because of housing. In comparison to FY18, the revenue was flat. For FY21, the City planned a few different scenarios with the plan not to dip into the Reserves.

For the summary of the key accounts, Ms. White explained that Staff had held back on some items in the budget until more information was known about the revenue stream. She said Staff had not placed the street resurfacing out for bid this year and open vacancies were not being filled. Some of the reserves set aside for capital projects were still in the budget although some projects were being deferred. The City was trying to avoid layoffs if possible.

Chair Thomas spoke of the super majority and the 25% reserve. Ms. White explained that typically, the City had the 25% reserve and should receive funds from FEMA but no idea when they would be received and did not count those monies in the budget until received.

ITEM 2 REVIEW OF FINANCIAL POLICIES. Ms. White explained the two revisions since the Council approved the Financial Management Policy, one being the requirement for the super majority vote and the other, the new language for the Auditing Committee as required by the State. Councilman McConnell spoke of the unbudgeted items and that Staff should bring a revenue source when presenting it to Council for consideration.

Ms. White explained obligations which the City had to do, such as Sick Leave payouts or retirements which were unexpected. She said the large reserve in the Utility Fund was planned with the rate structure.

The Committee members liked the idea of the super majority. Ms. White said she would work with Ms. Myers on the amendments. Chair Thomas said it could be revisited if it did not work.

Mr. Taylor made the motion that a Super Majority vote of the Council would be required to make changes to the budget if operating at less than 25%. Second was by Mr. Morehouse, and the motion passed by all members.

ITEM 3 CREDIT CARD POLICY/CITY COSTS. Ms. White gave the background on the City using credit cards. The City began with the Water Department, using government rates as long as the City did not charge a fee nor pass it along to the

customer. However, now the usage of credit cards had spread to other departments and it did not make sense to have some departments charge a fee and some not. She continued that the Business Registration Tax (the 1%) now has an online platform that handles the payments. In total, these were adding up to significant dollars. The question was asked if a transaction/administrative fee, such as \$1.50, could be built into the Business Registration Tax. She said the online platform for the 1% had its advantages as less of a money lag and benefits on the collection side. Conversations were being held on the Parks & Recreation rent fees, to charge an extra Fifty Cents. Councilman McConnell said he preferred a unified policy, not fragmented by Departments. Mr. Morehouse asked if all Departments could charge the \$1.50 fee. Mr. Crispen asked how many people still used checks. Ms. White said fewer and fewer as most people used credit cards or funds via the banks. She said she could get a report on the ACH payments from the Department.

ITEM 4 NEW BUSINESS/COMMITTEE COMMENTS. Mr. Morehouse asked about revenue sharing. He asked about any plans for the City to be less reliant on the Business Tax Receipts since we had no Ad Valorem Taxes.

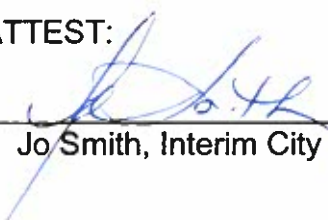
Discussion ensued concerning property taxes. Councilman McConnell said the mindset of local residents was that they wanted the visitors to pay for everything. He mentioned the Community Survey which he expected the answers would be to fight expenditures. Ms. White said most residents did not realize their Ad Valorem Taxes did not come to the City but rather Bay County. Mr. Crispen asked how many services were for the County residents and Ms. White said primarily the recreation area being used by non-City residents. The Water for the entire island already had a surcharge if out of the City limits. She also explained the Business Tax Receipts which could not be changed. Panama City had the Business Tax but they also had an Ad Valorem tax.

Councilman McConnell read an email from the Monaros, living in Open Sands, who said FDOT had approved a traffic light at the intersection of the Parkway and Gulf Boulevard but with no funding. They had asked for this to be considered at today's meeting. Councilman McConnell said the Parkway was a State Road and it would be up to FDOT to pay for the light, not the City.

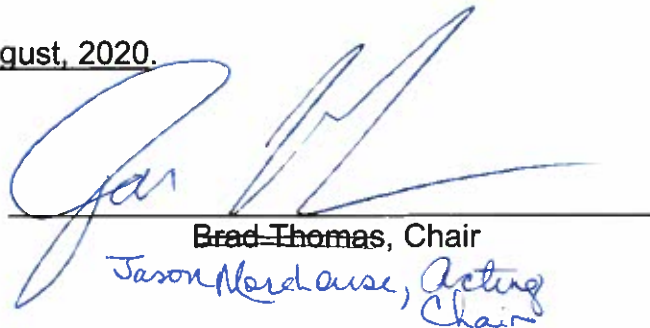
With nothing further, the meeting was adjourned at 4:27 P.M.

READ AND APPROVED this 17th of August, 2020.

ATTEST:



Jo Smith, Interim City Clerk



~~Brad Thomas, Chair~~
Jason Morehouse, Acting
Chair