

TOWN OF PENNEY FARMS
FINANCE COMMITTEE MEETING

MINUTES of April 20, 2020 at 10:00am (Virtual Meeting)

Present: Chairman P. Sabin; Town Manager, David Cooper (TM); Town Clerk, Anita Cooper (TC);
B. Brower; T. Ryder; and S. Kimsey;

Absent: J. Weir

Additional Audience: NONE

**** According to the Florida Municipal Officials Manual: Although citizens are allowed to attend all meetings of the public body, there is no requirement that citizens be allowed to participate in these meetings. Citizens are permitted to participate at public hearings and legislative meetings, such as the Town Council meetings.**

Start Time: 10:00am

Chairman Sabin welcomed everyone to the first virtual Finance Committee meeting and verbally acknowledged all of the committee members attending the virtual meeting.

Motion to approve the February 18, 2020 minutes by T. Ryder; second by S. Kimsey. Motion carried without dissent.

-Chairman Sabin reviewed the following list of Capital Projects which have been prioritized and selected to be presented to the Town Council for approval at the next Town Council Meeting:

ITEM #1

Renovation of the Town Hall restrooms to be
ADA Compliant

JUSTIFICATION:

This is a required renovation for the
Community Development Block Grant
(CDBG)

ESTIMATED COST: \$30,000.00

FUNDING SOURCE: Building Permit Revenue

ITEM #2

Climate controlled Storage Room

JUSTIFICATION:

The Town has received a \$30,000.00 local grant to
renovate the existing vacant fire station attached to
Town Hall into the Town of Penney Farms Historic
Museum and everything stored in there now will
need to be relocated.

ESTIMATED COST: \$25,000.00

FUNDING SOURCE: Building Permit Revenue

*The Historic Museum renovation may cost more to complete. The Town Hall is actively searching for additional grants and in-kind services to finish the project. (Example: Lowes's has agreed to help and we are still waiting on what exactly that will include).

ITEM #3

JUSTIFICATION:

Paint Town Hall/Landscaping

After the Town' Historic Museum and all Town Hall renovations are completed

ESTIMATED COST: \$15,000.00

FUNDING SOURCE: Building Permit Revenue

ITEM #4

JUSTIFICATION:

Passive Park/Clean Out

State Park Grant requires this to be done.

ESTIMATED COST: \$10,000.00

FUNDING SOURCE: 2019 Ad Valorem Tax Revenues

ITEM #5

JUSTIFICATION:

Sliding Gate Installed at the Water Tower Property

To secure Town Vehicles & Equipment

ESTIMATED COST: \$2,000.00

FUNDING SOURCE: 2019 Ad Valorem Tax Revenues

NOTE: The Town of Penney Farms is having to implement Ad Valorem taxes in the Town of Penney Farms, for the fiscal year of 2019 – 2020. The Town of Penney Farms was notified by Clay County that the County's local option fuel tax revenue will be phased out. This translates into a \$32,000.00 loss of revenue annually, for the Town of Penney Farms.

-S. Kimsey asked if the line item 312410 – 1st Local Opt Fuel Tax (LOCOP) was the line item the above note is referring to.
-TC Cooper stated yes.

NOTE: The Town had an unusually large building permit revenue amount for fiscal year 2018/2019, due to the construction of the new skilled nursing facility at the Penney Retirement Community. These revenues are somewhat restricted.

NOTE: All of the Ad Valorem Tax revenues and Building Permit revenues are located in the Town's General Fund bank account. The Town would like to always keep one years' operating cost in the General Fund, which should be estimated to be between \$375,000.00 - \$400,000.00 annually.

FEBRUARY 2020 FINANCIAL REPORT

ALL FUNDS SHOULD BE AT 42%

-TM Cooper reviewed the normal February monthly financial reports with the committee:

GENERAL FUND

Income:

- 1** Line Item 311000 (Ad Valorem (2019) Assessment) – The amount of \$266.85 was collected on 2/21/20 for this month.
- 2** Line Item 312600 (Discretionary Surtax) – The total of \$14,572.55 was collected this month for both the monthly and quarterly Discretionary Surtax revenues.
- 3** Line Item 361200 (Interest Income) – The total of \$853.76 was paid in interest for the General Fund this month.
- 4** Line Item 369900 (Other – Miscellaneous Revenues) – The total of \$4,335.50 was for the following: (\$193.40) from an overpayment for ads to the CDBG Grant Administrator; (\$4,142.10) was another refund from Hurricane IRMA.

Expenses: *There were two (2) payrolls this month*

- 1** Line Item 511900 (Council Reserve Fund) – The total of \$75.00 was paid for the Northeast Florida League of Cities (NEFLC) Dinner meeting for the Town Manager; Town Clerk; and Mayor Sabin to attend.
- 2** Line Item 5134901 (Legal Ads) – The total of \$67.50 was paid for the classified ad for a public works technician in the Clay Today newspaper.

-TM Cooper reported to the committee that he is still short of help in public works department. He stated that most of the people coming in are just checking off a box to collect unemployment. He still hasn't found a replacement and will now be short two people until the end of the month. He reported that it is just he and Alex doing all the maintenance in Town and asks for patience if the grass gets a little long.
- 3** Line Item 5135200 (Operating Supplies/Bank Fees) – The total of \$76.95 was paid out for the normal monthly security monitoring of Town Hall.
- 4** Line Item 5135400 (Dues/Subscriptions) – The Total of \$1,048.95 was for the following: (\$963.95) Annual subscription fee for Quickbooks payroll; fee for VISA card; and (\$85.00) for the BJ's membership renewal.
- 5** Line Item 5140001 (Legal Services) - \$500.00 was paid to the Town Attorney for the 2nd Quarter of FY 19/20.
- 6** Line Item 5194200 (Postage & Freight) – The total of \$139.61 was paid out for the following: (\$12.21) Freight for sign posts; (\$106.40) for CDBG Grant Environmental review amendment; and (\$21.00) – 2 Certified letters for 3255 SR 16 West.
- 7** Line Items 5195100 (Office Supplies) – \$270.25 was spent on (2) printer cartridges and W-2 Forms/Envelopes.
- 8** Line Item 5243100 (Inspections) – The total of \$735.00 was paid out to Clay County for 20 –inspections / 1 – Plan Reviews for the month of January 2020.

9 Line Item 5414600 (PW – Repair & Maintenance) - The total of \$299.68 was paid to replace (2) tires on a commercial mower.

10 Line Item 5415200 (Public Works - Operating Supplies) – The total of \$9.48 was spent on 4 new keys.

11 Line Item 5415300 (Road Materials/Supplies/Equip) - \$4.64 was (8) 2 ½ x 5/16 zinc plated bolts & nuts.

12 Line Item 5724800 (Special Events) – The total of \$100.02 was for the Appreciation plaque for Mr. Keith Reed for the Christmas float.

TOTAL INCOME: \$ **49,022.23** **24.6%**

TOTAL EXPENSES: \$ **26,262.87** **16.3%**

POSITIVE BALANCE: + \$**22,759.36**

-S. Kimsey asked if the donations for special events are credited to the special events expense line item.

-TC Cooper explained there is a line item showing the contributions coming in and stated these expenses are kept on a separate tracking sheet for each event.

-B. Brower confirmed that Quickbooks is not a fund accounting system and is not capable of tracking those costs, so a separate sheet is required.

WATER UTILITY FUND

Income:

1 Line Item 3433011 (New Account Fee) – There were three (3) new water account fees collected in the total amount of \$90.00 for this month.

2 Line Item 3434005 – (Solid Waste Franchise Fee) – This line item totals \$687.85 which includes the payment from Advanced Disposal only.

3 Line Item 3810001 (Interfund transfers In – Contingency Reserves (WU)) – The total amount of \$193.10 was for chlorinator parts & freight for repairs. *(These items will be shown paid out in the expenses section)*

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- **Water Revenue** **43.7%**

- **Solid Waste Revenue** **41.4%** **(Total \$1,826.47 = \$1,138.62 is for Garbage service/ \$687.85 is for Solid Waste Franchise Fees)**

- **Misc Revenue** **41.8%** **(Total of \$243.20) is for the following interest earned:**
 - Ameris Water Utility Interest - \$ 126.32
 - Ameris Customer Deposit Interest - \$ 20.71
 - Ameris Water Reserve Interest - \$ 96.17

- **InterFund Transfers** **8.1%**

Expenses:

****Again, there were two (2) payrolls this month****

1 Line Item 5333100 – (Professional Services) – The total of \$779.39 was paid for the following: (\$379.39) US Water for the required water samples / Chlorine testing for February 2020; and (\$400.00) for (2) Water wells calibrations done in February.

2 Line Item 5334200 (Freight & Postage) – The total of \$23.56 is the expense for shipping meters being returned for warranty.

3 Line Item 5334600 (Repair & Maintenance) – The total of \$180.00 was for (\$100.00) chlorinator repair; and (\$80.00) for the security monitor repair at the water tower building.

4 Line Item 5335100 (Office Supplies / Chlorine) – The amount of \$44.60 was for: 10 – 2 ½ gallons of chlorine

5 Line Item 5335200 (Operating supplies / Meters & components) – The total of \$274.60 is for: (\$66.95) the security monitoring at the Water Tower; (\$8.65) for an HDMI cable; (\$199.00) for a heat gun with battery.

6 Line Item 5335600 (Contingency Equip & Repairs) – The total amount of \$193.10 is the amount paid out for the chlorinator repairs.

TOTAL INCOME: \$ 9,155.60 **33.4% (Overall)**

TOTAL EXPENSES: \$ 6,315.98 **29.0%**

POSITIVE BALANCE: + \$ 2,839.62

WASTEWATER/SEWER FUND

Income: NONE – Nothing unusual to report

- Wastewater Revenue 37.8%

- Misc Revenue (Total of \$62.99) is for the following:
 - Ameris WW/Sewer Fund \$ 20.35
 - Ameris - WW/Restricted DEP - \$ 42.64

Expenses: ****Again, there were two (2) payrolls this month****

1 Line Item 5353100 (Professional Services) - \$200.00 was paid out to Barrett Supply to pay for the sewer meter calibration.

2 Line Item 5354900 (Other charges – CCUA) – The amount of \$5,421.44 was paid to the Clay County Utility Authority (CCUA) for sewer charges. (This bill was for 27 days).

TOTAL INCOME: \$12,913.34 **32.8% (Overall)**

TOTAL EXPENSES: \$ 11,501.88 **30.4%**

POSITIVE BALANCE: + \$ 1,411.46

Motion to approve the February 2020 Treasury Reports by B. Brower; second by S. Kimsey. Motion carried without dissent.

***See attached separate sheet for February 2020 bank balances.**

-Chairman Sabin reminded everyone that no Finance Committee meeting was held in March, there were no minutes. However, the Town staff still has the monthly financials to review.

MARCH 2020 FINANCIAL REPORT

ALL FUNDS SHOULD BE AT 50%

-TM Cooper reviewed the normal February monthly financial reports with the committee:

GENERAL FUND

Income:

1 Line Item 311000 (Ad Valorem (2019) Assessment) – The amount of \$1,056.43 was collected on 3/17/20 for this month.

2 Line Item 334360 (State Grant (Storm Water/CDBG)) – The amount of \$11,133.00 was received for the grant administrator and engineer. This will show being paid out in the grant expense section.

3 Line Item 361200 (Interest Income) – The total of \$735.01 was paid in interest for the General Fund this month.

4 Line Item 369900 (Other – Miscellaneous Revenues) – The total of \$2,590.75 was for the following: (\$500.00) donation from Florida Power & Light (FPL) for the “Old Fashioned Farm Day” event. FPL said we could keep for when the event gets rescheduled; A (\$2,079.00) refund from the Florida Municipal Insurance Trust (FMIT) from fiscal year 2018/2019; (\$11.25) from the J. C Penney Scenic Highway for 100 B&W copies / 5 Color copies; (\$0.50) from Tom DeVille for 5 - B&W copies.

Expenses: *There were two (2) payrolls this month*

1 Line Item 5133100 (Professional Services) - \$90.00 was paid out for the quarterly pest control service for the Town Hall.

2 Line Item 5194200 (Postage & Freight) – The total of \$35.70 was paid out for the following: (\$6.95) letter to resident R. Hawn; (\$7.25) for the 1st Qtr 941 Payroll Tax Submission; (\$21.50) for 3 certified letters – Social Security Administration; M. Walker and T. Jones W-2's.

3 Line Item 5195100 (Office Supplies) – \$425.57 was spent on copy paper; cleaning supplies; paper products for the Town Hall and Maintenance Shop; new external back up hard drive for utility admin; 3 – ring binders.

4 Line Item 5210001 (State Grant (Storm Water/CDBG)) – The total of \$11,133.00 was paid out to the Grant Administrator (\$5,000.00) and (\$6,133.00) to the Engineer.

5 Line Item 5243100 (Inspections) – The total of \$875.00 was paid out to Clay County for 25 –inspections / 0 – Plan Reviews for the month of February 2020.

6 Line Item 5414600 (PW – Repair & Maintenance) - The total of \$92.50 was paid to service the 2006 Chevy and install lawn mower blades.

7 Line Item 5415200 (Public Works - Operating Supplies) – The total of \$168.36 was spent on rods; conduit; screwdriver; cut files; levels; washers and spacers.

8 Line Item 5415201 (Fuel) - \$849.88 was spent this month filling up the fuel tank at Town Hall.

9 Line Item 5724600 (Parks - Repair & Maintenance) The total of \$965.00 was for: (\$900.00) cleaning the tennis courts; (\$65.00) to replace a GFI and breaker in Kohler Park.

10 Line Item 5810001 – (Transfer out to the Sewer Fund) - \$1,925.00 was transferred to the Wastewater/Sewer fund for the new construction permit WW Tap-In Fee.

11 Line Item 5810003 – (transfer out to the Water Utility) – A total of \$1,400.00 was transferred to the Water Utility fund for the new construction permit Water Meter charge (\$500.00) and the Water Tap-In Fee (\$900.00).

TOTAL INCOME: \$ 52,836.99 **28.49%**

TOTAL EXPENSES: \$ 48,152.28 **19.84%**

POSITIVE BALANCE: + \$4,684.71

-S. Kimsey inquired that the general fund capital budget expenses are not correct and need to be changed to reflect the approved capital changes, with the correct funding sources noted.

-TC Cooper thanked Mrs. Kimsey for pointing this out and acknowledged all of the capital projects will be changed, by the next reporting.

-TC Cooper stated the Town is at the 50% budget completion mark and commented that he General Fund is reflecting nice percentages.

-TC Cooper also reminded the committee she is monitoring the incoming state revenues, because she is anticipating lower distributions probably for the rest of the fiscal year. She stated the next financial report will include a separate sheet for the committee to see those changes, which will show the revenue losses from state revenues, primarily due to the Coronavirus.

-B. Brower commented that the income line item for interest earned will also be affected and probably go down as well.

WATER UTILITY FUND

Income:

1 Line Item 3433005 (New Water Set Up Fees) - \$1,400.00 was collected for Permit 2020-02 Water Tap-In Fee and new meter.

2 Line Item 3434005 – (Solid Waste Franchise Fee) – This line item totals \$1,139.51 which includes the payments from Advanced Disposal and Medigreen Waste.

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- Water Revenue 52.9%
- Solid Waste Revenue 50.5% (Total \$2,213.25 = \$1,073.74 is for Garbage service/ \$1,139.51 is for Solid Waste Franchise Fees)

- Misc Revenue 47.0% (Total of \$169.39) is for the following interest earned:
 - Ameris Water Utility Interest - \$ 87.94
 - Ameris Customer Deposit Interest - \$ 14.59
 - Ameris Water Reserve Interest - \$ 66.86
- InterFund Transfers 8.1%

Expenses:

****Again, there were two (2) payrolls this month****

1 Line Item 5333100 – (Professional Services) – The total of \$379.39 was paid to US Water for the required water samples / Chlorine testing for March 2020.

2 Line Item 5334600 (Repair & Maintenance) – The total of \$69.00 was for the complete service on the dump truck.

3 Line Item 5335100 (Office Supplies / Chlorine) – The amount of \$98.97 was for: 7 – 2 ½ gallons of chlorine; conduit pipe; keys; and wire brushes.

TOTAL INCOME: \$ 11,536.47 **40.82% (Overall)**
TOTAL EXPENSES: \$ 5,391.55 **32.42%**

POSITIVE BALANCE: + \$ 6,144.92

WASTEWATER/SEWER FUND

Income:

1 Line Item 3435004 (New Wastewater Set Up Fees) - \$1,925.00 was collected for Permit 2020-20 WW Tap-In Fee.

- Wastewater Revenue 45.6%
- Misc Revenue (Total of \$49.76) is for the following:
 - Ameris WW/Sewer Fund \$ 17.83
 - Ameris WW/Restricted DEP - \$ 31.93

Expenses: ****Again, there were two (2) payrolls this month****

1 Line Item 5354900 (Other charges – CCUA) – The amount of \$5,739.16 was paid to the Clay County Utility Authority (CCUA) for sewer charges. (This bill was for 30 days).

TOTAL INCOME: \$15,911.83 **40.5% (Overall)**
TOTAL EXPENSES: \$11,533.02 **36.0%**

POSITIVE BALANCE: + \$ 4,378.81

-S. Kimsey noted the impact of not having one employee, shows a positive balance in both the water utility and wastewater/sewer.

-TC Cooper stated when someone gets hired those numbers will change significantly.

Motion to approve the March 2020 Treasury Reports by T. Ryder; second by B. Brower. Motion carried without dissent.

***See attached separate sheet for March 2020 bank balances.**

-TM Cooper reported the \$30,000.00 museum grant contract needs to be revised, because it stated that the Town will have to pay back \$20,000.00 in the next fiscal year. He stated he contacted the County and that wording will be changed. He stated he told the County, the Town did not ask for a grant to repay any amount. He stated he received a message that the contract will be reviewed by the County again. He will report back to the committee when he has confirmation of what will be expected for this grant.

-TM Cooper stated it was brought to his attention by the engineer, in regards to the Community Development Block Grant (CDBG) Storm Water grant that there will not be enough money to finish Poling Blvd., only the Clark Avenue area. He stated he was upset upon hearing this because the construction part has not even been bid on yet. He has even pursued more money from the St. John's River Water Management District (SJRWMD) to help with this project. He reported that SJRWMD has approved the \$193,000.00 and he has spoken with the engineer and it now looks like the project can be completed, including Poling Blvd. He stated that SJRWMD will not release their money until October 2020. He further stated that the Town has until June 2021 to complete the project. He reported the bidding will be done in June for the construction part.

-TM Cooper stated that after this CDBG Grant is completed, he will apply for another grant to help widen and pave Poling Blvd.

-Chairman Sabin wanted the Town Manager to explain how the Town has helped the Penney Retirement Community's (PRC) maintenance department in keeping with the Town's desire to support the corporation.

-TM Cooper reported that a call came to the Town Hall from Teresa Scott who asked if PRC needed any maintenance help, would the Town's employees step in. He stated he responded to Teresa with an absolute yes, and also has an agreement with an outside contractor to be on call 24/7 for the Town and/or PRC.

-TC Cooper told Chairman Sabin that the five Capital Projects selected for approval were also discussed at the last Town Council Workshop. Though no voting took place, she stated the general consensus from all Town Council members was to move forward with those projects. She stated a formal motion will be made for those capital projects at the Town Council meeting tomorrow night.

-TC Cooper apologized for not having the overall capital projects list updated yet. She mentioned how Mr. Brower has helped her by providing another form of a 5 year capital projects plan, which she hasn't been able to work with yet. She hopes to have that capital list updated by the next meeting.

-TC Cooper informed the committee the Town's Annual Audit is getting ready to start next week. She reported that this audit will be done remotely and everything will have to be electronically sent and this takes a lot of time to prepare for.

-TC Cooper reminded the committee that the new budget is coming up. She stated that on June 1st the Town will receive its first taxable value notice and the budget process will begin again.

-S. Kimsey asked that when the capital list gets updated, she asked that it include the projects, the funding source; time frame and even tracking the completed projects.

-TC Cooper stated the Town now has a solid list to work with that has been prioritized by all of the Town Committees and Town Council members, we can now provide a capital projects list with tentative deadlines and funding sources.

-TC Cooper stated she was happy that everyone could connect to this meeting.

-TC Cooper discussed making sure the Finance Committee wants to receive the Town Council Meeting virtual meeting invitations.

All committee members asked to be sure they get an invite.

-S. Kimsey expressed her appreciation for the Town Clerk taking the time to make sure this meeting would happen.

-Chairman Sabin stated the same.

-TM Cooper expressed his thanks as well.

**There being no further questions or concerns, a motion for the meeting to adjourn by S. Kimsey; second by T. Ryder.
Motion carried without dissent.**

Adjourned Time: 11:05am

The next Finance meeting is scheduled for May 18, 2020 at 10:00am.

Chairman, Paul Sabin