

TOWN OF PENNEY FARMS
FINANCE COMMITTEE MEETING

MINUTES of May 18, 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: 10:05am

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 April 16, 2020 minutes by T. Ryder; second by B. Brower. Motion carried without dissent.

(All back up documentation for each item discussed at this meeting was distributed to all of the Finance Committee members prior to the meeting for review)

Chairman Sabin and the Town Manager agreed to let the Town Clerk go over the General Fund report to show the changes made on that report. The Town Clerk reported the following information:

-TC Cooper stated that all of the FY 2019/2020 capital project changes were approved at the last Town Council meeting and Mrs. Kimsey had pointed out the capital project line items needed to be revised on the General Fund report. TC Cooper stated those changes have been made and reviewed the significant line items changes of the General Fund report with the committee. She explained the following changes for the General Fund:

INCOME SECTION

- 1) **ADDED - Line Item 389901 – (Building Permit Capital (2019)) – the budgeted amount is listed as \$73,470.00. She stated this is the total amount budgeted for the capital projects to be paid for with building permit revenues for FY 2019/2020.**

EXPENSE SECTION

CHANGED – IN CAPITAL EXPENDITURE SECTION - Page 2

- 1) **ADDED – Line Item 5196302- (Paint/Landscape Town Hall) - BPR (Building Permit Revenue) – the approved budgeted amount of \$15,000.00 is listed there.**
- 2) **ADDED –Line Item 5196303 – (ADA Restrooms) – BPR – the approved budgeted amount of \$30,000.00 is listed there.**

- 3) *ADDED – Line Item 5196305 – (Town Hall/Storage Room) – BPR – the approved budgeted amount of \$25,000.00 is listed there.*
- 4) *ADDED – Line Item 5196307 – (New Town Website) – BPR – the approved budgeted amount of \$3,470.00 is listed there.*

-TC Cooper stated the four expense items listed, total the amount showing in the income section for line item 389901 – Building Permit Capital (2019).

In addition, TC Cooper explained the first two line items in the Income of the General Fund total \$72,787.00, the amount of Ad Valorem revenue to be collected for the FY 2019/2020. She reminded the committee that \$32,000.00 is replacing lost revenue from Clay County. She further explained when tracking the specific revenues, the Town has \$40,787.00 to spend from Ad Valorem taxes, of which \$12,000.00 was approved to spend this fiscal year; \$281,154.00 in Building Permit revenues, of which 73,470.00 was approved to spend this fiscal year; and both of those revenues are located in the General Fund bank account.

-TC Cooper referred back to the Capital Expenditure Section again and explained the following:

- 1) *ADDED - Line Item 5196211 – (Double Gate – Water Tower) – ADV (2019 Ad Valorem Tax Revenue) – the approved budgeted amount of \$2,000.00 is listed there.*
- 2) *ADDED - Line Item 5196300 – (Passive Park – Renovation) – ADV – the approved amount of \$10,000.00 is listed there.*

-TC Cooper pointed out Line Item 5196225 (Ad Valorem – Restricted (2019)) – the amount of \$28,787.00 is revenue to be used for future capital projects.

-TC Cooper also pointed out Line Item 5196200 (Capital Outlay – Unrestricted) – the total amount of \$37,650.00, includes the \$32,000.00 of operating money from the Ad Valorem tax revenues that is being replaced. The Town Manager still has \$5,650.00 to use at his discretion, if needed, out of that line item.

-TC Cooper stated she is waiting on the confirmation from the auditor on where to put the \$32,000.00 of replaced operating costs in the expense section.

-B. Brower agreed the auditor will direct where that amount should be allocated.

She explained the General Fund report now shows the corrected line items, accounting for all revenues.

GENERAL FUND

Income:

- 1** *Line Item 311000 (Ad Valorem (2019) Assessment)) – The amount of \$1,100.53 was collected on 4/16/20 for this month.*
- 2** *Line Item 369900 (Other – Miscellaneous Revenues) – The total of \$31.44 was refunded to the Town for an overage payment for the December 2019 Quarterly Payroll Taxes.*
- 3** *Line Item 334360 (Storm Water (CDBG)) – The Town received another payment from the State for the CDBG Grant for \$11,699.50.*
- 4** *Line Item 389901 (Building Permit Capital) – The Total of \$3, 470.00 was paid for the new Town Website set up and operating for one year. (There was a one-time set-up fee of \$2,500.00; and \$970.00 for the annual cost of services.)*

-TC Cooper asked the committee members to please visit the website and refer everyone to it. She stated there is a wealth of information on that website with several local links and information regarding the guidelines for Town meetings through COVID-19.

-S. Kimsey clarified the amount of \$281,154.00 listed on the revenue tracking sheet as building permit revenues was for the year of 2019.

-TC Cooper confirmed this was the amount of building permit revenues through September 30, 2019. -S. Kimsey asked if the totals listed in the income Line Item 322000 – Building Permit Fees is reflected in the total of \$207,684.00, left to use on the tracking revenues sheet.

-TC Cooper stated no, it is not. She stated the revenues listed in that line item are new revenues and will be added to the balance left at the end of this fiscal year on September 30, 2020. She explained this is the total of building permit revenues from October 1, 2016 – September 30, 2019. She stated these revenues have always been accounted for, and usually the Town did not make any significant revenue on building permits. However, in FY 2018/2019, the new Pavilion was built and the Town received a significant increase of building permit revenues, primarily due to that project.

-TC Cooper stated she can add a notation to the bottom line of the building permit revenue section on the new fiscal year's budget tracking revenue sheet, to indicate new permit revenues, during the current year, if requested.

-TC Cooper told the committee the Town should be 58% of its budget. She stated there is no place to indicate the percentage of the budget on the new reports.

-S. Kimsey suggested the Town Clerk put that on the report near the where the month is indicated, in the title.

-TC Cooper stated she appreciated the suggestion and will do that from now on.

-TC Cooper reviewed the following expenses:

Expenses: There were three (3) payrolls this month

1 Line Item 511900 (Council Reserve Fund) - \$111.18 was spent on items for the 1st Quarter Town Council Workshop lunch.

2 Line Item 5133100 (Professional Services) - \$400.00 was paid out for the IT support when the Town Clerk's computer crashed and had to be replaced.

3 Line Item 5134600 (Repair & Maintenance) - \$85.00 was paid out to repair the General Office Air conditioner.

4 Line Item 5134901 (Legal Ads) - \$72.00 was paid for the public hearing notice in the newspaper for the Tree City Ordinance.

5 Line Item 5135400 (Dues & Subscriptions) – The total of \$316.77 was for the following expenses: (\$80.00) for PDF & Filer for Admin Assist computer; (\$28.00) for two Monthly Quickbooks Payroll Fees; (\$34.99) for McAfee computer security for (5) computers in the office; (\$23.88) to update adobe on Admin Assist computer; and (\$149.90) for Zoom meetings subscription to perform Town's virtual meetings.

6 Line Item 5194200 (Postage & Freight) – The total of \$110.00 was paid out for the following: (\$6.95) to T. Jones; (\$29.15) for certified mail/ gift wrap for Christmas Parade – petty cash reimbursement; (\$18.30) Freight for new stop sign; (\$55.60) for new nametags for the Mayor & Vice-Mayor.

7 Line Item 5194400 (Rentals & Leases) – Because of the long month of April, two copier lease payments were made in the total of \$837.90; one for April and one for May.

8 Line Item 5195100 (Office Supplies) – \$2,983.98 was spent on the following: (\$1,599.80) on copy paper; cleaning supplies; paper products for the Town Hall and Maintenance Shop; 3 – ring binders; printer cartridges for all printers;

label tape; usb sticks; new calculator; water – (\$356.95) new copier/scanner w/cartridges; (\$726.75) for remaining 6 custom Mayor picture frames; (\$190.49) for four sets of business cards with new website listed/ new mailbag; (\$109.99) for new 2nd monitor for Zoom meetings.

- TC Cooper stated that copy paper and other items have doubled since COVID-19 started and everyone is working and using school supplies.
- Chairman Sabin suggested that the Clay County Emergency Operations Center (CCEOC) reports that have been coming out weekly be sent electronically instead, to help save on paper costs.
- TC Cooper stated she would do that.
- S. Kimsey also suggested that copies be printed on both sides of the paper to help with costs.
- TC Cooper appreciated the suggestions and will do her best to reduce costs.

9 Line Item 5196307 (New Town Website – BPR) – \$3,470.00 was paid out for the design and development of the Town’s new website.

10 Line Item 5210001 (State Grant (Storm Water/CDBG)) – The total of \$11,699 was paid out to the Grant Administrator (\$2,500.00) and (\$9,199.00) to the Engineer.

11 Line Item 5414600 (PW – Repair & Maintenance) - The total of \$205.72 was paid for a case of oil for equipment and repairs to the pole pruner.

12 Line Item 5415200 (Public Works - Operating Supplies) – The total of \$1,397.25 was spent on the following: (100) ¼ washers / conduit lock; spray grips/ red paint; misc PVC fitting; (250) conduit lock tie rods/ 2 – dyno lock tools; toll enforcement (\$6.05); a workshop vise; swivel and (2) heavy duty surge protectors.

13 Line Item 5415201 (Fuel) - \$555.90 was spent this month filling up the fuel tank at Town Hall.

14 Line Item 5415300 (Road Materials/Supplies/ Equip) - \$442.24 was spent on new sign on Palmetto Ave/ Bench grinder/wire wheel brush; photo control sensor/ circuit breaker.

15 Line Item 5724600 (Repair & Maintenance (Parks)) - \$40.00 paid out to replace light sensor at the playground park/ replaced GFI and breaker in Kohler Park.

16 Line Item 5724800 (Special Events) - \$147.53 was paid out for a “Key to the City Plaque” for John Bowles as requested by the Town Council members.

-TC Cooper explained this was a request from the Town Council.

TOTAL INCOME: \$ 50,516.57 32.2%
TOTAL EXPENSES: \$ 54,183.88 23.8%

NEGATIVE BALANCE: \$ 3,667.31

-TC Cooper stated the primary reason for the negative balance was having three payrolls this month; replacing an entire computer; and several additional expenses for the equipment and subscriptions to have required virtual meetings.

Review State Revenue / Franchise Fee / Bank Interest losses for this Fiscal Year

-TC Cooper stated she and the Town Manager have been closely monitoring the Town's State Revenues; Franchise Fees; and Interest revenues, since the COVID-19 crisis shutdown. She asked the committee to look at the tracking sheets that were provided to them. She advised the committee that all of these particular revenues are located in the General Fund bank account.

-TC Cooper explained the Town has five (5) State Revenues: Communication Service Tax (CST); State Revenue Sharing; Local Government ½ cent Sales tax; 1st LOCOP Option Fuel Tax; and Discretionary Surtax

-TC Cooper explained the Town is down a total \$2,333.28 in State Revenues currently. She stated those numbers will get higher and be reflected on each new report.

-S. Kimsey asked the Town Clerk to check the percentage listed on the LOCOP. She stated the separate report shows 48.9%, but the line item on the General Fund report states 68.45%.

-TC Cooper stated she will double check those numbers and look into the differences and see what happened.

-B. Brower asked the Town Clerk if she had any idea of the lag time on receiving the state revenues. He stated it is important to know this because it will affect the rest of the fiscal years' budget.

-TC Cooper stated she has spoken with other town clerks who do the same work, and the consensus was there is about a 30-60 day lag time in receiving revenues.

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-TC Cooper explained the Town has three (3) Franchise Fees: Utility Service Tax – Propane; Utility Service Tax – Electricity; and a Solid Waste Franchise Fee.

-TC Cooper explained the Town is down a total of \$3,968.85 in Franchise Fees currently.

-TC Cooper stated the Town has lost a total of \$6,302.13 in revenues, from state revenues and franchise fees, affected by COVID-19, so far, this fiscal year.

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-TC Cooper explained the Interest Income on all of Town's bank accounts have been significantly affected by COVID-19. She stated in the General Fund bank account, the interest is computed daily and there is no way to determine exactly how much the Town is losing. She reported the differences in the previous bank statements which showed the negative impact.

-TC Cooper explained the two bank accounts located in the General Fund in Quickbooks are the CDBG bank account and the General Fund bank account. She stated the CDBG should never show more than \$10.00 in that account and will most likely never make any interest. She further stated that the General Fund bank account has always made good interest, but this report shows the significant decline.

-TC Cooper reviewed that amount budgeted in the General Fund was \$8,500.00 and so far, \$5,251.75 has been collected.

-TC Cooper stated the amount budgeted in the Water Utility Fund for interest was \$3,250.00 and so far, \$1,607.25 has been collected.

-TC Cooper stated the budgeted amount in the Waste Water/ Sewer Fund was \$900.00 and so far, \$404.46 has been collected. She reminded the committee there are still five months left in this fiscal year and we will have to wait and see if these interest rates come up or continue to decline.

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- T. Ryder stated he understands where the building permit revenues are located in the income and asked where the building permit expenses are tracked.
- TC Cooper stated that in the expense section of the General Fund report, on Page 3, there are protective inspections line items. She stated these line items reflect what the Town has to pay out to Clay County for its inspections and plan reviews.
- T. Ryder asked if there was any way to incorporate salaries in with those expenses.
- TC Cooper stated she is working on the figures for the 2019/2020 fiscal year now and those expenses will definitely be included in the next fiscal years' budget process.
- TM Cooper reminded the committee that every permit has already been calculated to show whether there is a profit or loss, when they are completed.

Mayor Sabin stated there was so much information that he would like a motion to approve the General Fund report.

Motion to approve the April 2020 General Fund Treasury Report by B. Brower; second by T. Ryder. Motion carried without dissent.

-TM Cooper asked the Town Clerk to continue with the rest of the treasury reports, because there was a lot of noise near him, due to the construction being done at the Town Hall.

-TC Cooper continued with reviewing the Water Utility Fund as follows:

WATER UTILITY FUND

Income:

- 1** Line Item 3433011 (New account fees) - \$60.00 is for (2) new water accounts this month.
 - 2** Line Item 3434005 – (Solid Waste Franchise Fee) – This line item totals \$588.67 which includes the payments from Advanced Disposal (\$486.67) and Medigreen Waste (\$120.00).
 - 3** Line Item 3810001 (Contingency Reserves - Water Utility) - \$1,409.20 was paid out for the master lift station generator major repair
 - 4** Line Item 3810002 (Contingency Reserves (WW/Sewer)) – The amount of \$1,150 was paid out to resident Gerilynn Barton for sewer plumbing repairs. *You will see this being transferred out to the WW/Sewer Fund in the expense section and then showing as income in the WW/Sewer Fund financials.
- TC Cooper noted the master lift generator repair will be corrected to show being paid out to the WW/Sewer fund contingency reserves, instead of the water utility reserves.
- TM Cooper confirmed that needed to be changed.

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- *Water Revenue* 61.7%

- *Solid Waste Revenue* 58.25% *(Total \$1,870.65 = \$1,281.98 is for Garbage service items / \$588.67 is for Solid Waste Franchise Fees)*

- *Misc Revenue* 49.45% *(Total of \$79.52) is for the following interest earned:*
 - *Ameris Water Utility Interest* - \$ 38.76
 - *Ameris Customer Deposit Interest* - \$ 12.46
 - *Ameris Water Reserve Interest* - \$ 28.30

- *InterFund Transfers* 14.51%

Expenses:

****Again, there were three (3) 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 April 2020.

2 Line Item 5334200 (Freight & Postage) – The total of \$264.03 was for the following expenses: \$250.00 (4) rolls of postcard stamps / (2) regular rolls of stamps; (\$14.03) for shipping & handling of sunstate meter supplies delivery.

3 Line Item 5334600 (Repair & Maintenance) – The total of \$200.00 was for the repair of a water line break on Dwight Street.

4 Line Item 5334900 (Other Charges / Water Labs) - \$68.00 was paid to Bass delivery for their services in June and July of 2019 for the transportation of the Town’s water samples. They just recently sent their invoice to the Town and there is a zero balance on that account now.

5 Line Item 5335100 (Office Supplies / Chlorine) – The amount of \$125.77 was for: 9 – 2 ½ gallons of chlorine; (2) toilet seats, mop, bleach and pine sol.

6 Line Item 5335200 (Operating – Meters & Components) – The total of \$447.03 was for: (\$321.95) paid to Vector for security monitoring at the water tower building and a service call to repair the video cameras at this site; (\$125.08) was paid to Sunstate meter & supplies for (2) ¾” curb stops & (2) meter couplings.

7 Line Item 5335600 (Contingency Equip & Repairs) – The total of \$2,559.20 was paid out of the reserve account for the following expenses: (\$1,150.00) to Ms. Gerilynn Barton to pay for sewer repairs she requested of the Town Council; and (\$1,409.20) to Szoke Power Systems for the major master lift station generator repair.

TOTAL INCOME: \$ 12,066.37 48.58% (Overall)

TOTAL EXPENSES: \$ 11,335.74 39.71%

POSITIVE BALANCE: \$730.63

- T. Ryder asked if the Town could send the water bills out by email or electronically to save on the postcard stamps.
- TC Cooper stated no, because the Town has to prove the bill was mailed with postage. She stated this is a federal rule for a water utility.
- T. Ryder stated that he pays his other bills online.
- TC Cooper stated the Town is not set up to accept payments online either, at this time.

Motion to approve the April 2020 Water Utility Fund Treasury Report by T. Ryder; second by B. Brower. Motion carried without dissent.

WASTEWATER/SEWER FUND

Income:

1 Line Item 3810001 (Contingency Reserves) - \$1,150.00 was for the reimbursement to Gerilyn Barton for sewer repairs done on her property. (This shows the money coming into the WW/Sewer fund)

-TC Cooper reminded the committee that she will correct the master lift station generator repair in this fund by the next reporting.

- **Wastewater Revenue** 54.27%

- **Misc Revenue** (Total of \$22.22) is for the following:
 - Ameris WW/Sewer Fund \$ 8.13
 - Ameris - WW/Restricted DEP - \$ 14.09

Expenses: ****Again, there were three (3) payrolls this month****

1 Line Item 5354600 (Repair & Maintenance) – The total of \$367.50 was for the following: (\$105.00) service call for pump clog at the car wash; (\$262.50) for a service call to the Palmetto Lift station to unclog a pump.

2 Line Item 5354900 (Other charges – CCUA) – The amount of \$5,309.90 was paid to the Clay County Utility Authority (CCUA) for sewer charges. (This bill was for 28 days).

-TC Cooper reported to the committee she monitors the CCUA bills and noted that this month is approximately \$400.00 less than last month's bill. She stated this bill has maintained a nice average.

3 Line Item 5355600 (Contingency Equip & Repairs) – This line item shows the amount of \$1,150.00 being paid out to MS. Gerilynn Barton for the sewer repairs done on her property.

TOTAL INCOME:	\$16,630.40	48.54% (Overall)
TOTAL EXPENSES:	<u>\$13,183.38</u>	42.41%

POSITIVE BALANCE: + **\$ 3,447.02**

Motion to approve the April 2020 Wastewater/Sewer Fund Treasury Report by B. Brower; second by T. Ryder. Motion carried without dissent.

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

-TC Cooper reviewed all of the bank account balances with the committee.

-TM Cooper updated the committee on the storm water project. He stated that the Town has received another \$273,000.00 from the St. John's River Water Management District (SJRWMD). He further stated this money will not be available until after the final approval on October 1, 2020. He reminded the committee that originally the \$600,000.00 CDBG grant would have only been enough for the Clark Avenue area, however, now that SJRWMD has allowed us more money, the Poling Blvd. area can be repaired too. He further stated no work will be performed prior to October 1, 2020.

-S. Kimsey asked about the New Hope \$3,500.00 storm drain, does that have anything to do with Poling Blvd?

-TM Cooper stated the storm water project includes Poling Blvd. and Clark Avenue only. The New Hope storm drain is a separate project.

-Chairman Sabin commented on the timeline of the storm water grant and any events being scheduled will have to work around the grant schedule.

-TM Cooper stated that USA Cycling is still planning on having their event in September. He stated there will be a meeting held to determine the final dates.

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-TM Cooper reported to the committee that the Town has also finally received approval for the \$30,000.00 grant from Clay County for the historical museum. He explained the error that occurred with the original contract and how it has now been resolved. He stated the finalization of this grant will be completed at the next Clay County Board of Commissioners meeting on Wednesday, May 20, 2020.

-Chairman Sabin announced that Teresa Scott requested a meeting this upcoming Thursday morning to discuss the upcoming Ad Valorem Tax decisions the Town will be making, in the near future. This meeting will be held at the Town Council Chamber room and the Town Manager will be present also. He stated he agreed to the meeting and felt like it was important to listen to her concerns and take it under advisement, and then report those concerns to the rest of the Town Council when preparing the next fiscal year 2020/2021 budget. He assured the committee that no decisions or promises will be made at that meeting.

-TM Cooper stated for the record, he feels Teresa Scott should voice her concerns and opinion at a public Town Council meeting. He further stated he is hesitant to do side meetings, but will attend this meeting in the spirit of community cooperation and listen to her concerns.

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-TC Cooper reported to the committee, at the last Town Council Workshop held last week, the Town Council members have chosen a date for the Town Council Budget Workshop, which will be held on Friday, July 31, 2020 at 9:00am. She stated the Finance committee has always been present at the budget workshop for their support and recommendations. She stated the format of the meeting will be decided at the beginning of July.

-TM Cooper stated the Town meetings will be held virtually through the month of June and then he will reassess for meetings in July.

-Chairman Sabin stated most of the residents are in the vulnerable age bracket and the Town will proceed very conservatively, moving forward.

-TM Cooper confirmed the Town Hall will remain closed to the public for the month of June.

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

Adjourned Time: 11:31am

The next Finance meeting is scheduled for June 15, 2020 at 10:00am.

Chairman, Paul Sabin