

TOWN OF PENNEY FARMS
FINANCE COMMITTEE MEETING

MINUTES of December 16, 2019 at 10:00am

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: Charlie McCormick

**** 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. ****

-Chairman Sabin informed the additional audience that if they have any questions, they can submit their questions to the Town Clerk and answers will be provided as quickly as possible.

Start Time: 10:10am

Motion to approve the November 18, 2019 minutes by S. Kimsey; second by B. Brower. Motion carried without dissent.

-TC Cooper reviewed the new financial reports with the committee. She stated that Mr. Brower showed her the best way to get the new reports directly exported from Quickbooks and these new reports will be what the public will receive as well. She stated that all the reports look the same, there is no way to add colors to differentiate the reports. She asked the committee to review the reports and let her know if any further changes are needed.

-TC Cooper reminded the committee that in the General Fund Expenses, under the capital expenditures, all of the currently approved capital projects are listed. She explained the acronyms:

- *ADV – Ad Valorem tax money capital projects*
- *OTB – Over and above the budget capital projects*

-TC Cooper stated those line items can be easily changed to whatever the Town Council will eventually decide they want to do. She also stated the auditor has been contacted and any changes are allowed as long as the same amount of money is used.

-TC Cooper stated the bank balances will be on a separate sheet from now on. (Attached)

-TM Cooper stated that he will ask the Town Clerk to go over the fund reports, because he has been dealing with problems at the water tower this morning.

-T. Ryder wanted clarification on the over the budget items. He stated those items are not over the budget since they are in the budget.

-TC Cooper explained that at the budget workshop, those items were approved over and above the regular budget and added in. She stated these items are not listed in the legal ads, just like the Water Utility and Wastewater Transfer Ins, used for payroll.

TC Cooper reviewed the following normal monthly financials with the committee.

TC Cooper stated that all three funds should be at 17.0%.

GENERAL FUND

AMERIS BANK GENERAL FUND BALANCE:	\$632,241.66
AMERIS CDBG Grant Account:	\$ 6,143.00

Income:

1 Line Item 311000 (Ad Valorem (2019) Assessment) – The amount of \$5,209.80 was collected this month through 11/21/19.

2 Line Item 312600 (Discretionary Surtax) – The total of \$12,601.04 was for both the monthly and quarterly discretionary revenues.

3 Line Item 334360 (State Grant – Storm water (CDBG) – The total of \$14,847.96 was paid to the Town for the 1st Deliverable to the Grant Administrator and the Engineer.

-TC Cooper explained that the State can only deposit monies into one Town bank account. She stated any money that comes into the Town for the CDBG grant gets automatically deposited in the General Fund account and then she will transfer that specific amount to the CDBG bank account. She informed the committee that when the grant money is received, she has three (3) days to pay it out, per the grant guidelines.

4 Line Item 361200 (Interest Income) – The total of \$817.38 was paid in interest for the General Fund this month.

5 Line Item 369900 (Other – Miscellaneous Revenues) – The Total of \$1,584.37 was for the following: \$285.81 was a refund for overpayment for the previous copier lease; \$100.00 Donation to the Christmas Parade from the Penney Memorial Church; \$250.00 Donation to the Christmas Parade from the Penney Farms Residents Association; and \$948.56 was another reimbursement from Hurricane Irma.

Expenses: There were two (2) payrolls this month

1 Line Item 511900 (Council Reserve Fund) – The total of \$100.00 was paid out to the Northeast Florida League of Cities (NEFLC) dinner meeting in Lake Butler.

2 Line Item 5133100 (Professional Services) – \$90.00 was paid out for the quarterly pest control at the Town Hall.

3 Line Item 5133200 – (Accounting/Auditing) - \$2,946.00 was paid to the auditor for the implementation of the Ad Valorem Taxes this year.

4 Line Item 5135200 (Operating Supplies/Bank Fees) - The total of \$126.95 was for (1) \$76.95 monthly security monitoring of the Town Hall; and (2) \$25.00 for a check penalty for filing the 1st Reemployment Tax late; (3) \$25.00 penalty for filing the Quarterly Payroll Tax report 1 day late.

5 Line Item 5135400 (Dues/Subscriptions) - \$60.00 was paid to the International Institute of Municipal Clerks for their annual membership dues for the Town Clerk.

6 Line Item 5140001 (Town Attorney Expense) - \$500.00 was paid to the Town Attorney for the 1st Quarterly Legal Fee.

7 Line Item 5195100 (Office Supplies) – The total of \$719.25 was for the following: new desk calendars for the front office; 8 – pocket calendars for the Town Council Chamber room; hanging file boxes for the CDBG grant paperwork; copy paper, and printer cartridges.

8 Line Item 5210001 – State Grant (CDBG Storm Water) – This expense shows the 1st deliverable to the following: (1) Grant Writer - \$8,714.96; (2) Engineer - \$6,133.00; for a total of the \$14,847.96 paid to the Town.

9 Line Item 5243100 (Inspections) – The total of \$1,505.00 was paid out to Clay County for 43 – inspections for the month of October 2019.

10 Line Item 5414600 (PW – Repair & Maintenance) - The total of \$667.12 was paid for a deck repair on one of the commercial mowers; and the Repair of the walk behind mower.

11 Line Item 5415200 (Public Works - Operating Supplies) – The total of \$235.11 was spent on the following: (1) \$15.00 for new parcel maps; (2) \$220.11 for new keys/ black top patch/ chain coil; and a torch trigger.

12 Line Item 5415300 (Road Materials/Supplies/Equip) - \$2,584.72 was for the (2) sets of rubber speed bumps (\$2,284.72) and (\$300.00) for the installation of those speed bumps.

13 Line Item 5724600 (Parks – Repair & Maintenance) - \$1,691.17 was for the repair of the Passive Park foot bridge.

TOTAL INCOME: \$ 67,363.20 **8.2%**

TOTAL EXPENSES: \$ 48,459.24 **6.7%**

POSITIVE BALANCE: + \$ 18,903.96

WATER UTILITY FUND

AMERIS BANK WATER UTILITY BANK BALANCE: \$126,990.23

Income:

1 Line Item 3433011 – (New Account Fee) - \$60.00 was for two new water accounts.

2 Line item 3434005 – (Solid Waste Franchise Fee) – This line item totals \$753.71 which includes the payment from Advanced Disposal. The remaining contractors have not submitted their payment at the time this report was being completed.

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- Water Revenue 18.3%
- Solid Waste Revenue 15.0% (Total \$1,860.39 = \$1,106.68 is for Garbage service/ \$753.71 is For Solid Waste Franchise Fees)
- Misc Revenue (Total of \$265.87) is for the following interest earned:
 - Ameris Water Utility Interest - \$ 154.24
 - Ameris Customer Deposit Interest - \$ 20.38
 - Ameris Water Reserve Interest - \$ 91.25
- InterFund Transfers 0.0

Expenses:

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

1 Line Item 5333100 – (Professional Services) – The total of \$379.39 was for the water samples / Chlorine testing for November 2019.

2 Line Item 5334600 (Repair & Maintenance) – The total of \$830.12 was for a rebuild kit & chlorinator parts including a strainer assembly with a foot valve.

3 Line Item 5335100 (Office Supplies / Chlorine) – The amount of \$84.91 was for 10 – 2 ½ gallon jugs of chlorine.

4 Line Item 5335200 (Operating supplies / Meters & components) – The total of \$66.95 is for the security monitoring at the Water Tower.

5 Line Item 5810005 (Water Utility to Water Reserve) – The amount of \$749.25 will be the new amount put into the water utility reserves for the new fiscal year.

TOTAL INCOME: \$ 9,959.53 **12.9% (Overall)**

TOTAL EXPENSES: \$ 6,157.44 **10.9%**

POSITIVE BALANCE: + \$ 3,802.09

WASTEWATER/SEWER FUND

AMERIS BANK WW/SEWER BANK BALANCE: \$16,669.45

Income:

- *Wastewater Revenue* 15.2%

- *Misc Revenue* *(Total of \$56.48) is for the following:*
 - *Ameris - WW/Sewer Fund* \$ 13.15
 - *Ameris - WW/Restricted DEP* \$ 43.33

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

Income: NONE – Nothing unusual to report

Expenses:

1 Line Item 5354900 (Other charges – CCUA) – The amount of \$5,975.76 was paid out for the month of October. This did include the CCUA increase.

TOTAL INCOME: \$13,546.57 **13.2% (Overall)**

TOTAL EXPENSES: \$ 11,758.82 **12.6%**

POSITIVE BALANCE: + \$ 1,787.75

A motion to approve the Treasury reports by T. Ryder; second by B. Brower. Motion carried without dissent.

TOWN MANAGER INFO:

-TC Cooper explained that this committee and the Town Council will have the same sheets to make their final decisions from. She distributed the most current copy of the capital projects list and reminded the committee that this is an ongoing list. She stated items will be added and as an item is completed, it will be removed from the list.

-TC stated the objective for the lists provided during this meeting is for this committee to have a recommendation for the Town Council, to be discussed at the next Town Council Workshop in February 2020.

-TC stated that the Town Council has official authorization from the auditor to make any changes, which was a concern of committee member S. Kimsey.

-Chairman Sabin stated that this committee needs to review this information and be prepared to discuss what priorities and policies to recommend to the Town Council at the January Finance Committee meeting. He stated that no official recommendations will be made at the January or February Town Council meetings, to allow for the entire Town Council to be informed and contribute their thoughts at the next Town Council Workshop, prior to the March 2020 Town Council meeting.

-TC stated that after the January Finance committee meeting, she will then put together the revised proposed financial package and distribute those to the Town Council members and other necessary committees to review and comment on at the Town Council Workshop in February. She stated this will give them time to go over all documentation and be prepared for an official recommendation for approval of the use of funds at the March Town Council meeting.

-TC Cooper commented that the implementation of the Ad Valorem taxes was difficult and stated it would have been nicer to have had more public meetings and more information given to the residents, but there were restrictions and the Town was not allowed to do more than what it did.

-TC Cooper stated that the year 2020 will include the same changes, the Ad Valorem process will be the same, effective October 1st, there will be a CPI increase for the water utility in the spring, and reminded the committee that there will most likely be another Clay County Utility Authority (CCUA) increase in October.

-T. Ryder asked how far in advance does CCUA notify the Town about an increase.

-TC Cooper stated that normally CCUA has two public hearings in September and their increase becomes effective October 1st. She further stated this increase comes after our Town budget is already decided.

-TM Cooper stated that there will definitely be a CCUA increase and reminded the committee that the Town lost \$6,700.00 of revenue this year, because the Town Council chose to absorb the increase this year and not pass it through. He further stated that the Town should not do this again next year.

-TC Cooper stated the following items are to be considered by the Town Manager and this committee for the January 2020 Finance committee meeting:

- **Finance Committee needs to consider revising the items and have a recommendation available for the next Town Council Workshop on February 21, 2020 for the Items that were discussed and approved at the Budget Workshop (last July) that were considered over and above the budget (OTB - Sheet attached)**

-TM Cooper announced to the committee that he did get \$30,000.00 for the renovation of the historical museum. He stated that he has been working on getting this money for over three years. He stated that grant money is coming this year and the capital projects chosen will need to include the consideration of this grant. He further stated that the items listed such as the landscaping, painting, and remodeling to make the entire Town Hall blend together.

-S. Kimsey suggested a sign for the museum.

-TC Cooper stated that is an item to be added to the capital list.

-Chairman Sabin noted that the museum may help with tourism in the Town and maintain the J. C Penney Scenic Highway.

-TM Cooper stated that he has spoken with the Florida Department of Transportation (FDOT) and they are going to include the Town of Penney Farms on the exit sign.

-TM Cooper stated the last item on this list was the new truck. He stated it is a need, but doesn't have to be purchased this year. He reminded the committee that all the Town has besides Alex's truck and the pick-up truck he is driving now, is an old dump truck that is 21 years old, a car that is 20 years old, and the little Ford Ranger truck is shot.

-TC Cooper stated that it is costing more to repair the older vehicles now.

- **Finance Committee needs to consider revising the items that were discussed and approved at the Budget Workshop that were stated as capital projects to be competed with the 2019 Ad Valorem Tax revenue. (ADV - Sheet attached)**

-TC Cooper stated that the new truck expense of up to \$65,000.00 that was approved at the last July budget workshop was to come from both the over and above the budget list (\$30,000.00) and the Ad Valorem tax revenues (\$35,000.00).

-TM Cooper stated the Passive Park restoration (\$10,000.00) for cleaning out the underbrush as required by the State, and has spent \$1,600.00 repairing the bridge that was damaged.

-TC Cooper stated that the bridge repair was not put in that line item yet. She stated that repair was put in the repair and maintenance for the parks line item.

-TM Cooper stated that painting the Town Hall (\$10,000.00) will be needed when the museum renovation is completed.

-TM Cooper stated that the estimate for renovating the restrooms to become ADA compliant was way off. He stated that it will be closer to \$30,000.00 to get that project completed. He stated this project has to be done per the CDBG grant requirements.

- **Finance Committee needs to also consider coming up with a plan for the building permit fee money, which is restricted. (See attached sheet / Florida Statutes)**

-TC Cooper stated that the revenues from the building permits should be expended according to Florida statutes.

-TC Cooper reminded the committee that when the museum gets renovated, everything in the building now will have to be removed and stored properly. She stated that a climate controlled storage area is something that the building permit money could be used for.

-Chairman Sabin stated that this is tough assignment to come up with a plan. He further stated the policy decision of whether to build the reserve fund needs to be made first and then have a plan to do any of these other projects based on the health of the Town's budget.

-B. Brower stated that the capital projects list is a wish list. He further stated that those projects need to be prioritized and then identify the source of funding for each project.

-TC Cooper reviewed the rules of using the designated revenues; over and above the budget (OTB) projects money comes from the General Fund; the Ad Valorem tax revenues (ADV) can be used for any project; and the building permit revenues are somewhat restricted.

-TC Cooper distributed a copy of the email from the auditor showing some examples of projects that building permit money can be used for.

-TM Cooper stated that revenues will change every year. He stated that the Ad Valorem revenues may change each year.

-Chairman Sabin stated that for the longest time there was no money to do any projects. He stated that he is not comfortable with anymore over and above the budget items because now the Town has some stream of revenues and everything should be sourced before items get approved.

-TM Cooper also stated that it costs the Town approximately \$400,000.00 to operate for one year and the Town's bank account should always have that in the bank.

-B. Brower stated that five years ago there was no Town reserves and the Town Manager has managed to create a reserve for the water utility.

-TM Cooper informed the committee that he did the immediate fix on Saunders Road for \$650.00 this month and it will reflect on the December financials and this recommendation will also be presented to the Water Utility committee in January.

-TC Cooper distributed a copy of the email from the Town Attorney with her legal opinion regarding this issue, as well as a Town Ordinance dated November 16, 2004 showing that the Town has allowed these particular residents to hook up to the Town's water system.

-TC Cooper informed the committee that there are a total of six customers affected.

-TM Cooper stated that based on the information provided by the Town Attorney and the Florida Statutes, the Town can charge more for service to those particular customers.

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

Adjourned Time: 11:45am

The next Finance meeting is scheduled for January 21, 2020 at 10:00am.

Chairman, Paul Sabin