

TOWN OF PENNEY FARMS

FINANCE COMMITTEE MEETING

MINUTES of May 23, 2022 at 10:00am

Present: Chairman Paul Sabin; Town Manager, David Cooper (TM); Administrative Assistant, Megan Trexler; B. Brower; and Gail Larson

Absent: Town Clerk, Anita Cooper, Tom Ryder and Richard Hollowell

Additional Audience: None

Start Time: 10:00am

Motion to approve the Finance Committee meeting minutes dated April 22, 2022 by G. Larson; second by B. Brower. Motion approved without dissent.

Motion to approve the Finance Committee meeting minutes held on August 16, 2021 by B. Brower; Second by G. Larson. Motion approved without dissent.

Motion to approve the Finance Committee meeting minutes held on September 20, 2021 by G. Larson; second by B. Brower. Motion approved without dissent.

TM Cooper reviewed the bank account balances with the committee.

Please see the separate sheet for all of the Town's bank balances

TM Cooper reviewed the following Fund Accounts:

April 2022

FINANCIALS

ALL FUNDS SHOULD BE AT 58%

GENERAL FUND

Income:

1 Line Item 311002 (Ad Valorem (2021) Assessment – A total of \$1769.95 was received for FY 2021 Tax Collections (03/01/22 – 03/31/22)

2 Line Item (Other Miscellaneous Revenues) – A total of \$224.28 was collected for the overpayment of Aflac liabilities.

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

1 Line Item 5196200 – Capital Outlay (Unrestricted) - \$2,062.50 was paid out to Janis Fleet for her services helping with P&Z Meetings; Street Closures; Paso Fino Plat; emails and meeting with Colin Groff.

(Note: Colin Groff has been invoiced to pay for his portion of Ms. Fleet's services - \$1,300.00)

2 Line Item 5724800 (Special Events) - \$918.27 was paid out for the museum grand opening.

3 Line Item 5810003 (Transfer out to Water Utility) - \$1,400.00 was transferred to the Water Utility for a new water meter and Water Tap In fees for Permit 2022-27.

4 Line Item 5810001 (Transfer out to Sewer Fund) - \$1,925.00 was transferred to the Sewer Fund for Wastewater Tap In Fee for permit 2022-27.

TOTAL INCOME: \$ **54,321.06** **96.36%**

TOTAL EXPENSES: \$ **37,744.00** **61.08%**

POSITIVE BALANCE: \$ **16,577.06**

Motion to approve the General Fund Report by B. Brower; second by G. Larson. Motion approved without dissent.

WATER UTILITY FUND

Income:

1 Line Item (3433005 (New Water Set-up fees) - \$1,400.00 was received for the new Permit 2021-27 (4270 Wilbank Avenue (Part B)) for the Water Tap In Fee and water meter.

2 Line Item 3433011 (New Account Fee) – There were two (2) new water accounts added this month.

3 Line Item 3810001 (Contingency Reserves (WU)) – The amount of \$658.28 was used out of the reserves for the following: (\$181.28) for materials for the meter enclosure; (\$272.00) water tower parts; and (\$205.00) for a service call on the control panel. These expenses will show being paid out in the expense section.

4 Line Item 3810002 (Contingency Reserves (WW/Sewer)) – The amount of \$850.00 was transferred to be paid out in the WW/Sewer Fund for the re-installation of pump #2 at the master lift station. This will be shown being transferred out in the expense section.

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- **Water Revenue** **57.21%**
- **Solid Waste Revenue** **50.63%** (Total \$1,969.17 = \$ 1,096.13 is for Garbage service items / \$873.04 is for Solid Waste Franchise Fees)
- **Misc Revenue** **32.33%** (Total of \$13.65 is for the following interest earned on all three bank accounts Located in this fund)
- **Transfers** **22.40%** - Contingency Reserves (WU)

- *Transfers* 35.58% - Contingency Reserves (WW/Sewer)

Expenses:

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

1 Line Item 5333100 (Professional Services) - \$814.39 was paid out to US Water for the monthly water treatment plant and water labs & analysis. Note: US Water is now charging a fuel surcharge for their services.

-TM Cooper reported that the water utility has a surprise inspection visit from Florida Department of Environmental (DEP) and the Town passed with flying colors.

2 Line Item 5334800 (Machinery & Equipment) - \$998.23 was paid out for two meters with components.

3 Line Item 5335600 (Contingency Equipment & Repairs (WU)) – This line item shows the \$658.28 mentioned earlier, paid out.

4 Line Item 5344900 (Other – Solid Waste /Landfill) - \$1,000.00 was paid in advance to the landfill for trash disposal.

5 Line Item 581004 – (Transfer out to (WW/Sewer)) - \$850.00 was transferred to the Sewer Fund for payment.

TOTAL INCOME: \$ 12,610.61 48.1% (Overall)

TOTAL EXPENSES: \$ 9,858.14 46.29%

POSITIVE BALANCE: \$ 2,752.47

Motion to approve the Water Utility Report by B. Brower; second by G. Larson. Motion approved without dissent.

WASTEWATER/SEWER FUND

Income:

1 Line Item (3435004 – WW/Sewer New Set-Up Fee) - \$1,925.00 was received in this fund for the new WW/Sewer Tap-In Fee for 4270 Wilbank Avenue (Part B).

2 Line Item (3810001 – Contingency Reserves) - \$850.00 was transferred in from the contingency reserves for the WW/Sewer, for the labor to re-install pump #2 at the master lift station.

- *Wastewater Revenue* 60.85%
- *Misc Revenue* 39.43% (Total of \$4.64 was the interest earned on the two (2) bank accounts located in this fund.)
- *Interfund transfers* 35.58%

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

1 Line Item 5354900 (Other charges – CCUA) – The amount of \$8,419.83 was paid to the Clay County Utility Authority (CCUA) for sewer charges. (This bill was for 34 days).

2 Line Item 5355600 (Contingency Equip & Repairs) – This line item showed where the \$850.00 was paid out for the re-install for pump #2 at the master lift station.

TOTAL INCOME: **\$17,455.07** **57.33% (Overall)**

TOTAL EXPENSES: **\$15,527.90** **49.34%**

POSITIVE BALANCE: **\$1,927.17**

A motion to approve the WW/Sewer Fund Report by G. Larson; Second by B. Brower. Motion approved without dissent.

Action Item (1): Per Town Council Request / Discuss Town Manager Contract Renewal

****A Memo with pertinent historical information of the Town Manager's Contract was distributed to all committee members***

-Chairman Sabin explained the Town Council has asked the Finance Committee to look at the renewal of the Town Manager's Employment Agreement as soon as possible.

-TM Cooper stated the reason the Town Council wanted to review this now is because the budget process will start very soon.

-Chairman Sabin stated that he would like the committee to provide a recommendation for the June Town Council meeting and asked for a motion to move forward with this issue.

Motion to move forward with of the determination of the Town Manager's Employment Agreement by B. Brower; second by G. Larson. Motion approved without dissent.

-Chairman Sabin asked for feedback from the committee member to make a decision today or wait until the next committee meeting, which is prior to the next Town Council meeting.

-G. Larson asked how flexible the current budget is to determine a new salary for the Town Manager?

-B. Brower reminded the committee there are other employees that will more than likely receive more compensation too and we will have to factor that into the budget as well.

-G. Larson asked what the percentage of the budget are salaries?

-B. Brower stated that the salaries are spread throughout the three separate funds.

-Chairman Sabin stated that the percentage that gets approved for the Town Manager does not necessarily apply to the other employees.

- G. Larson stated, that at this time, the employees are receiving more of a percentage in increases than the Town Manager. She also stated the committee will have to anticipate replacing Mr. Cooper down the road, as well. If that positions salary is not competitive, we will lose in the long run.
- TM Cooper stated he was asked by three (3) Town Council members to continue his service with the Town. He stated as long as his health is good, he would continue his service with the Town.
- G. Larson inquired about the surrounding Town's, City Manager salaries? Is that information available?
- TM Cooper stated yes.
- B. Brower stated the committee should take into account the fact that Mr. Cooper did not take his increase last year in order to accommodate the staff needs.
- TM Cooper stated it is important to look at the workload. He stated that most of the small town's farm out all of their work, such as, bookkeeping, payroll; mowing and water repairs; or they have departments for each issue. He stated he is hands on and this current staff does everything, nothing is farmed out. He further stated he is not asking for more money.
- Chairman Sabin stated that the Town Manager should be compensated for the 3% he gave up last year and get another 3%, for a total of a 6% increase to start the new contract. He asked for comments from the other members. He also stated that some people might compare the increases of the Town with the Penney Retirement Community's (PRC) employee increases and that may create an issue.
- B. Brower stated that PRC employee increases is obviously different. He supports the decision of 6% and can anticipate an argument from PRC, but that doesn't mean we should not do it. He stated the Town should be prepared for that to happen, just like every year in dealing with Ad-Valorem taxes.
- Chairman Sabin stated the Ad-Valorem taxes come up every year and he supports keeping those the same for this upcoming year. He explained that when Ad-Valorem taxes were introduced, the Town went to the middle mil rate to avoid raising taxes to get to a certain point and budget for the long term.
- Chairman Sabin asked the Town Manager if the current employees are getting what the State is requiring for a minimum wage.
- TM Cooper stated yes, every employee has reached the minimum requirement. He stated that in the current labor market, he has had to adjust wages to keep the staff he has now. He stated that he cuts other areas to meet the budget. He stated that if the employees are not taking care of properly, we will lose them. He stated that he will be providing increases for the employees in the new budget.
- B. Brower stated that line items in the budget are merely suggestions. He reminded the committee that you can not use the water enterprise funds for general fund purposes, but you can move around items in the general fund.
- Chairman Sabin asked for approval of the 6% increase in this meeting, since there is a quorum or wait until the next meeting.
- TM Cooper commented the Town Attorney will be here today to review the agreement, as well.
- B. Brower stated he is not sure what the hit of the entire payroll will be for this year until the budget is discussed in the coming months. He knows the Town employees are good for now and hopefully it holds throughout the budgeting process.
- G. Larson asked the Town Manager is he was satisfied with the 3% increase annually stated in this current agreement?
- TM Cooper stated that is fine and he is satisfied with the remaining portions of his contract.

Motion to approve a 6% increase to start the Town Manager's new 2022 Employee Agreement, in the amount of \$60, 945.00 by B. Brower; second by G. Larson. Motion approved without dissent.

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- TM Cooper stated there a lot of meetings today. He explained the Town Clerk is gone to one of them.
- TM Cooper stated he is meeting with our Town Attorney and Town Planner and Colin Groff, the man wanting to develop property on Paso Fino Road. He stated Mr. Groff is bringing his attorney to this meeting and hopefully everyone can get on the same page and get this project started.
- Chairman Sabin explained how Mr. Groff brought a package for the Town Council members at the last Town Council meeting and the Vice-Mayor suggested a sit down to get things resolved.
- TM Cooper stated the Town welcomes this new small development but wants the information to be accurate and go through the correct processes.

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- TM Cooper stated he has another meeting later today, which will be at the Clay County Emergency Operations Center (CCEOC) for the new hurricane season overview.

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- TM Cooper stated the Planning & Zoning Commission (P&Z) has completed reviewing the Town's Comprehensive Plan and has submitted a list of updates and a few questions for the Town Planner to review and respond to. The P&Z will now review the Town's Land Development Regulations, to be sure they are consistent with the Town's Comprehensive Plan. He stated this is a long process and there will be a combined Workshop meeting of the P&Z and the Town Council coming soon to discuss and review any and all updates.

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- TM Cooper stated that he met with George Egan with the Reinhold Corporation again and has been asked again to close some platted streets. He stated that should be a straight-forward process, which is coming soon and he is not concerned about that request.

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- G. Larson shared a document with bipartisan summary infrastructure grants for rural areas and what money is available. She asked the committee to review this list and see if there is anything that might be of interest to the Town. She stated that most of these are non-matching grants.
- TM Cooper stated that he will look the list over and explained how difficult some grants are to be qualified for and receive. He thanked G. Larson for the submission.

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

Adjourned Time: 10:55am

The next Finance meeting is scheduled for June 20, 2022 at 10:00am.



Chairman, Paul Sabin