

**TOWN OF PENNEY FARMS
FINANCE COMMITTEE MEETING**

MINUTES of July 19, 2021 at 10:00am

Present: (In-Person) Chairman P. Sabin; Town Manager, David Cooper (TM); Town Clerk, Anita Cooper (TC); B. Brower; Tom Ryder; and Dick Hollowell.

All present for the record.

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: 10:02am

-Chairman Sabin deferred action on approving minutes.

-TC Cooper stated there are no minutes to approve at this time and hopes to have them caught up by the next meeting.

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:

June 2021

FINANCIALS

ALL FUNDS SHOULD BE AT 75%

GENERAL FUND

Income:

1 Line Item 311002 (Ad Valorem (2020) Assessment) – A total of \$2,322.13 was collected in Ad Valorem taxes. \$60.30 in collections from (05/01/21-5/31/21); and \$2,261.83 as a 2021 Tax Certificate Sale distribution.

2 Line Item 334360 (State Grant – Storm water CDBG) - \$96,470.42 was received for the Request for Funds #9 for this grant. The amount will be shown being paid out in the expenses.

3 Line Item 369900 (Other Miscellaneous revenue) – The total amount of \$775.10 was received for: 1) Individual donation towards powder coating (2) park benches located in Kohler Park; and \$575.10 for the reimbursement of replacing the windshield in the new service truck.

-TM Cooper explained that the new service truck's windshield had a large crack in it and it had to be replaced.

4 Line Item 389901 (Building Permit Capital (2020)) - \$416.89 is being shown here for the Town Hall front office renovation and the individual expenditures will be explained in the expense section.

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

1 Line Item 5135200 (Operating Supplies- Bank Fees) - \$261.95 was the total spent on this line item: 1) \$185.00 for new General Fund Checks and deposit books; and 2) \$76.95 for the normal monthly security monitoring at Town Hall.

2 Line Item 5194200 (Postage/Freight) - \$ A total of \$235.08 was spent on the following: 1) \$15.13 for postage fees for the Tax Collector for 2019 Ad Valorem taxes; 2) \$196.00 for the annual renewal of the Town's P.O. Box; 3) \$23.95 for the freight for the new checks and deposit books that were delivered.

-TM Cooper reminded the committee that at tomorrow night's meeting, the Town Council will have to vote on a maximum millage rate, which will be discussed further, later in this meeting.

3 Line Item 5195102 (Emergency Plan Exp (CEMP) - \$529.39 was spent on two new first aid kits/2- emergency truck bags/ 1 trauma bag

4 Line Item 5196300 (Passive Park- Restoration-ADV) - \$1,512.66 was spent on repairing the bridge in Passive Park, for decking and supplies, including anti-slip tape.

5 Line Item 5196312 (Town Hall Front Office – BPR) - This line item shows that \$416.89 was spent on a new vacuum and cleaning supplies for the Town Hall.

6 Line Item 5210001 – (State Grant – CDBG Storm Water) -\$96,470.42 was paid out in this way: 1) \$2,610.00 was paid to the Engineer; 2) \$91,860.42 was paid to the Construction contractor; 3) \$2,000.00 was paid to the Grant Administrator.

7 Line Item 5210003 – (Local Grant – Historic Museum) - \$310.03 was paid out for the Electric permit need to do the work in the museum renovation.

8 Line Item 5243100 (Protective Inspections) – A total of \$2,545.00 was paid out for two months (May and June 2021) for Clay County Inspections and Plan Reviews submitted.

9 Line Item 5414600 (Repair & Maintenance) – A total of \$638.07 was paid out for the following: 1) \$259.07 for mower blades and air filters; 2) \$310.00 for a minor PM on emergency generator at Town Hall; 3) \$69.00 for the oil service on dump truck.

10 Line Item 5415200 (PW - Operation Supplies) – A total of \$1,371.92 was spent on a variety of things for public works: a splice kit for cable/clamp hose/adapters/elbows/keys/blower motor and hydraulic hoses for the Ford Ranger/ power tools for bridge repair/new pipe for service truck/ safety glasses/safety vests and disposable gloves.

TOTAL INCOME:	\$ 144,362.64	55.24%
TOTAL EXPENSES:	\$ 136,582.61	43.06%
POSITIVE BALANCE:	\$ 7,780.03	

WATER UTILITY FUND

Income:

1 Line Item 3810001 – (Contingency Reserves (Water Utility)) – A total of \$3,582.27 was for the purchase of a new meter for Well #1 and 3 valve kits for the chlorinators.

2 Line Item 3810002 (Contingency Reserves (WW/Sewer)) - \$575.00 was paid out for WW/Sewer. This line items individual expenditures will be explained in the WW/Sewer report.

-TC Cooper explained to new committee member D. Hollowell, the Wastewater reserves are being discussed in the water utility report because that is the fund where the utility reserve money is located.

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- Water Revenue 70.93%
- Solid Waste Revenue 74.55% (Total \$1,483.36 = \$1,008.72 is for Garbage service items / \$474.64 is for Solid Waste Franchise Fees)
- Misc Revenue 24.22% (Total of \$14.30) is for the following interest earned:
 - Ameris Water Utility Interest - \$ 8.15
 - Ameris Customer Deposit Interest - \$ 1.21
 - Ameris Water Reserve Interest - \$ 4.94
- Transfers 94.73% - Contingency Reserves (WU)
- Transfers 36.43% - Contingency Reserves (WW/Sewer)

Expenses:

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

1 Line Item 5333400 (Other – Tower services) - \$4,698.73 was paid out to utility service for the service to the water tower for June 2021.

2 Line Item 5334600 (Repair & Maintenance) - \$315.90 was paid out for the Water Utility portion of generator PM's – Water Tower.

3 Line Item 5335200 (Operating – Meters & Components) – The total of \$242.95 was paid out; \$66.95 for the monthly security monitoring at the water tower building; and \$176.00 for Water Utility checks and deposit slips.

4 Line Item 5335600 (Contingency Equip & Repairs) - \$3,582.27 was spent on parts for replacement on Well #1's new meter for 3 valve kits for chlorinators.

5 Line Item 5810004 (Transfer out to WW/Sewer - \$575.00 was transferred to the WW/Sewer fund for service to pull a pump at the car wash lift station. Another \$68.00 will be transferred shortly to cover the cost of 2-O ring kits needed for the car wash lift station.

-TM Cooper stated that since last month's meeting with PRC regarding the car wash lift station, and after checking this lift station every day, it seems that everything is running normally and there have been no large wipes getting hung up in the pump this month.

TOTAL INCOME: \$ 14,755.73 65.58% (Overall)
TOTAL EXPENSES: \$ 16,780.54 66.36%

NEGATIVE BALANCE: - \$ 2,024.81

WASTEWATER/SEWER FUND

Income:

1 Line Item 3810001 (Contingency Reserves) - \$643.00 was paid out of the reserves for the following unexpected expenditures for the sewer fund: \$575.00 for a service call to the car wash lift station to pull another pump; \$68.00 for 2 O ring kits needed for the car wash lift station.

- Wastewater Revenue 73.97%

- Misc Revenue 20.26% (Total of \$2.66 is for the following:
 - Ameris WW/Sewer Fund \$ 1.78
 - Ameris - WW/Restricted DEP - \$ 0.88

- Interfund transfers 36.77%

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

1 Line Item 5354900 (Other charges – CCUA) – The amount of \$6,087.65 was paid to the Clay County Utility Authority (CCUA) for sewer charges. (This bill was for 29 days).

2 Line Item 5354600 (Repair & Maintenance) -\$672.10 was spent on the WW/Sewer portion of generator PM's at the Master Lift Station.

3 Line Item 5355600 (Contingency Equip & Repairs) – This line item shows the \$643.00 in expenses paid out, which were explained in the income section of this report.

TOTAL INCOME: \$18,773.01 69.58% (Overall)
TOTAL EXPENSES: \$15,476.69 67.64%

POSITIVE BALANCE: + 3,296.32

A motion to approve all three fund reports by T. Ryder; second by B. Brower. Motion approved without dissent.

-TC Cooper explained to the new committee member that before the pandemic hit, the miscellaneous revenues in regards to the interest earned, on the Town's bank accounts were generating approximately \$15,000.00 in interest revenue for the Town. She stated the Town's banking institution has no indication of when those revenues will return to normal levels.

-TM Cooper reported that Pump #2, at the master lift station has gone out and is being rebuilt. He reminded the committee that all of these pumps were installed in 2008. TM Cooper estimated the cost to rebuild this pump will be around \$8,000.00, to be paid for out of the reserves. He stated there are still two more pumps running right now.

-TM Cooper stated the Consumer Confidence Report (CCR) for the Water Utility has been distributed to all the town residents. He stated there have been some concerns from a handful of residents who are concerned about the lead readings on this report. He assured the committee that the water is safe and he has done all the proper testing. He reported there will be further testing and he doesn't anticipate any further issues with the lead reporting.

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-TM Cooper stated that he has found a Town Attorney, Rich Komando, who is willing to represent the Town in the new fiscal year. TM Cooper stated the only drawback is that this attorney will not be able to attend any of the Town Council meetings, but will discuss any potential legal issues, prior to the scheduled Town Council meetings. He reported the retainer fee quoted was \$1,500.00 per month, for eight (8) hours, per month. He stated that this will be an \$18,000.00 line item on the budget, which can be paid for with ad valorem taxes. He stated that he has spoken with some of his Town Council members and would like to speak with all of them, before he commits to a contract with Mr. Komando.

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-TM Cooper reported he met with Cooper Murphy, the representative of Reinhold/Jax-Palatka to ask for nine and a half acres to be given to the Town. He stated that Mr. Murphy will take the request back to George Egan. TM Cooper wants to get the best deal for the town as possible.

-TM Cooper stated there still has been no formal re-plat request.

-TM Cooper stated that the Planning & Zoning Commission (P&Z) is currently going through the Town's current Comprehensive Plan and Land Development Regulations to make sure the Town has all of the major requirements needed for future development. He stated he has hired Janis Fleet of Fleet & Associates to help guide the town through any changes needed.

-TC Cooper stated that PRC will be addressing the P&Z Commission regarding two (2) projects; 1) Reallocating the Old Pavilion building into patio apartments and storage; and 2) Building a new dining hall/cafeteria. She stated that Wayne Boone has been instructed on what to bring for the Commission to make a decision. She also noted that two of the P&Z members will have to recuse themselves from making any decisions on the new PRC projects, because one of them is on the PRC Board and the other member is on the PRC Finance Committee. She stated there will still be a majority to make a recommendation to the Town Council. She stated she does not anticipate any problems with the P&Z approving those projects and any permitting for PRC.

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TM Cooper reported the storm water project will not require an extension. He stated the work being done on Clark Avenue has been time consuming and it will not be long before the construction will move to Poling Blvd. He stated he has been doing his best to find most of the pipes in the Poling Blvd. area. He has reporting his findings with the contractor and stated his primary concern is to make sure no resident's service gets interrupted. TM Cooper stated he anticipates that the Poling are will go smoother than Clark Avenue. He stated that hopefully the entire project should be completed by the end of August.

-TM Cooper stated he will complete a review of the construction contractor and report his negative findings about the working relationship. He further stated the State requires the Town to take the lowest bidder and cannot change out the contractor. He has informed our Grant Administrator and Engineer of the problems with the contractor and it has been challenging.

-TM Cooper stated that the St. Johns River Water Management District (SJRWMD) is going to pay for 33% of the construction costs for the storm water project. He explained the process of how to get reimbursed from SJRWMD: Step 1- The Town Clerk turns in a deliverable (Payment request) to the State for work completed to get paid; Step 2 - The State pays the Town; Step 3 - The Town has three (3) days to pay the contractor; Step 4 - After receipt of the endorsed checks, then the Town has to submit an invoice to SJRWMD for reimbursement, to be paid back in a couple of weeks. TM Cooper stated he wanted the committee to know the process, because there may be some of the Town's General Fund money used until the reimbursement is paid and that would affect the bank account balance.

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-TM Cooper reported the museum renovation project is running about \$15,000.00 short in funds to complete the project. He stated that he has taken about \$2,500.00 out of the unrestricted funds to get the next phase completed, which includes the insulation and drywall. He explained the reason for the shortfall is because the cost of the building materials has tripled; and Lowe's, who originally was to donate a lot of the material, has backed out of that promise and have no intention of moving forward. He further explained that the grant requires the museum to be open in September 2021. He stated that he has some extra money in the unrestricted capital line to finish the project.

-TC Cooper reported there is \$39,339.59 in the Unrestricted –Capital Outlay line item available this month. She stated that is before the \$2,500.00 that the Town Manager has already committed to continue the work.

-TM Cooper asked the committee to consider giving him permission to use the funds that are available in the Unrestricted – Capital Outlay to finish the renovation. He stated that he can ask Clay County for an extension, but would like to avoid doing that.

-TC Cooper stated this action would not put the Town in an over-budgeted status, however, this decision would require a formal motion to approve this amount at the next Town Council meeting, because the amount is over the threshold the Town Manager is allowed to use, at one time.

-T. Ryder commented that it is always better to meet the deadlines of grants in order to get more grants in the future.

-B. Brower also agreed and stated it would be better meet the deadlines because the Town relies on grants for future infrastructure needs.

-A motion to authorize the Town Manager to use \$15,000.00 out of the Unrestricted – Capital Outlay to finish the Museum renovation by T. Ryder; second by B. Brower. Motion was approved without dissent.

-TM Cooper thanked the committee for their support.

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TM Cooper reported the Town has received a new state grant (Florida Department of Environmental Protection – (FRDAP)), in the amount of \$49,500.00, for upgrades to the Playground Park. He also reported the Town did not receive the State Appropriations grant for the Town's water line replacement and expressed his disappointment on that decision.

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- Chairman Sabin wanted to clarify the process on Ad valorem taxes for the new committee member present.*
- TC Cooper stated the maximum millage rate will need to be voted on, at the next Town Council meeting, in order to follow the Truth in Millage (TRIM) process schedule. She reported the TRIM process has begun on July 1, 2021.*
- Chairman Sabin stated he would like to recommend to the Town Council to suggest the maximum millage rate be the current rate of 4.7500, to alleviate any concerns and this would give no indication of an increase. He stated this is based on his review of the current budget.*
- B. Brower agreed and stated that at this point, the current rate would be his choice as well, due to increasing expenses coming in the new fiscal year.*
- TC Cooper reminded the committee that no new increases were introduced this past year, such as the Clay County Utility Authority (CCUA) or the Annual CPI Increase that came out on April of this year.*
- TM Cooper stated there will be a significant increase in attorney's fees this coming year and anticipates a rise in operating costs as well.*
- A Motion to recommend to the Town Council to keep the maximum millage rate at 4.7500 for the fiscal year 2021/2022 by B. Brower; second by T. Ryder. Motion was approved without dissent.***
- Chairman Sabin stated he will not be able to attend the upcoming Budget Workshop and will get with the office staff to provide him the information to review prior to the meeting.*
- TC Cooper explained in September there will be two Budget Hearings, whose deadlines are unforgiving. She stated the requirements are that the meetings are not held on the same night as the Clay County Commissioners Budget Hearings, nor the Clay County School Boards Budget Hearings. In addition, the meetings have to be held after 5PM during the workweek and/or on a Saturday, and no meetings can be held on a Sunday.*
- TC Cooper asked the committee members present to please come to the Budget Workshop as they are considered a resource and have always been a part of these discussions.*
- TC Cooper reminded the committee the current fiscal year's budget will have to be amended, due to the purchase of the new service truck, before November 2021.*
- Chairman Sabin asked the Town Clerk to provide him the notes on the two motions needed at tomorrow's Town Council meeting and to also make sure his committee members get the dates for the Budget Hearings, in order to attend.*
- B Brower asked the Town Clerk what the roll back rate would be.*
- TC Cooper stated the County will be sending the certified taxable value any day now. She stated when that number becomes available, the roll back rate will then become available.*

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-TC Cooper informed the committee that the Audit has been completed and there were no findings again this year.
-TM Cooper stated this is the 8th year in a row, there have been no problems.

-TC Cooper stated that she has asked the auditor for some help in cleaning up the Quickbooks accounts after the new budget is completed.

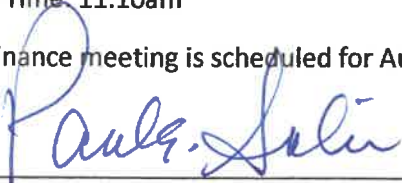
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-Chairman Sabin reported that he is still looking for an additional member to add to this committee. He stated it was important to have enough members to accommodate when one or two current members travel.

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

Adjourned Time: 11:10am

The next Finance meeting is scheduled for August 16, 2021 at 10:00am.



Chairman, Paul Sabin