

**2015 Annual Report  
COVB Finance Commission**

**Including Objectives/Goals for 2015/2016**

The Finance Commission is required to submit an Annual Report for fiscal year 2014/2015.

**FINANCIAL**

The Finance Commission provided quarterly reviews of budget revenue/expense variations for the General Fund and Enterprise Funds, as well as status of the City's Capital Program for all funds:

**RECOMMENDED APPROVAL OF:**

- Amended OUC contract and decommissioning of the Power Plant
- The annual budget amendment
- Initiative of implementing the Water and Sewer Department's septic mitigation "STEP" program trial
- Quarterly Finance Department's rate sufficiency studies
- Continuing to coordinate with Pension Review Board; Vice Chairman, Glen Brovont collaborated
- At the City Council's Direction to identify potential electrical utility rate decreases, presented to the staff for review a series of 18 options. The staff performed a "SWOT" Analysis of the proposals and the report was provided to the Council. Outside consultant was engaged to prepare analysis and recommendations. Final report is pending.
- Establishing OPEB Trust Fund
- Supported analyzing the establishment of a Stormwater Utility Fund (Report Pending); and potential for an Electrical Utility Authority
- Alternative tax rate lower than final 2015/2016 levels

**Reviewed the proposed 2015/2016 budget and expressed concerns regarding funding of:**

- Stormwater mitigation
- Streets and road maintenance
- Legal and consultant expenses associated with action by Indian River County and Indian River Shores
- Acknowledged need for long range planning for five (5) year prospective budgets. Currently there are impediments due to the uncertainties of litigation and future status of the Electric Utility
- Discussed options regarding the financial viability of relocating Vero Beach Electric, Postal Annex, and Water/Sewer facilities and operations from the present Lagoon frontage site

- Held workshop analyzing/evaluating/financial objectives, goals, and developing Commission priorities
- Recognized difficulty identifying comparable municipal entities since the COVB is unique in the array and scope of facilities, operations, services and demographics:
  - Airport
  - Marina
  - Cemetery
  - Utilities (VBE, W/S, Solid Waste)
  - Police
  - Over 200 events annually utilizing City support (Public Works, Recreation, and VBPD)
  - Twenty volunteer Boards and Commissions
  - Veterans Memorial Island Sanctuary
  - Significant seasonal services demands from tourists, visitors, and part time residents
- Expert consultants presentations and recommendations regarding:
  - Focused on developing policy regarding use and level of General Fund unrestricted reserves in concert with the Finance Director's guidance
  - Analysis of Pension funding by the Actuary
  - Status of conversion of General Fund Pension Plan from Defined Benefit to Defined Contribution
  - In depth review of funding of health benefits; pre and post retirement (OPEB) impact of proposed requirement for Trust Fund instead of the current pay-as-you-go policy

#### **COMMITMENT AND PARTICIPATION BY FC MEMBERS**

- Attended/Participated
  - General Fund and Police Pension Board meetings
  - Police and Teamsters negotiations
  - Multiple mediation/information events associated with IRC and IRS lawsuits and the sale of the Electric Utility
  - All City Council budget workshop sessions
- Various members of the Finance Commission participated in RFP Evaluation and Selection Committees
- Involved in Utility and Recreation Commission meetings
- Extensive coordination and consultation with City Manager, Finance Director, Police Chief and Department Heads
- Myriad presentations, recommendations and reports to the CC

## OBJECTIVES/GOALS

- Schedule planned Quarterly and Special Call meetings as needed
- Consider and recommend future technological / process changes and efficiencies in billing and customer service as proposed by the Finance Director
- Evaluate and recommend police and use of General Fund Unrestricted Reserves
- Review potential Stormwater Utility proposal
- Follow-up status of proposed OPEB Trust Fund
- Continue to
  - Welcome public comment throughout proceedings
  - Coordinate and synchronize working relationships with the Utilities and other Commissions/Boards.
  - Respond, report, and recommend to the City Council as directed
  - Serve on Special Project committees
  - Monitor, analyze, and report upon financial result and variances