

**FINANCE COMMISSION MINUTES**  
**Wednesday, January 16, 2019 – 2:00 p.m.**  
**City Hall, Council Chambers, Vero Beach, Florida**

**PRESENT:** Chairman, Robert Jones; Vice Chairman, John Smith; and Member, Kathryn Barton **Also Present:** Finance Director, Cindy Lawson and Deputy City Clerk, Sherri Philo

**Excused Absences:** Scott Nuttall, Vic Demattia and Dan Stump

**1. CALL TO ORDER**

Today's meeting was called to order at 2:00 p.m.

**2. APPROVAL OF MINUTES**

**A) October 17, 2018**

**Mrs. Barton made a motion to approve the minutes of the October 17, 2018 Finance Commission meeting. Mr. Smith seconded the motion and it passed unanimously.**

**3. PUBLIC COMMENT**

None

**4. FINANCE DIRECTOR'S MATTERS**

**A) Payoff of Series 2007A Marina Loan**

Ms. Cindy Lawson, Finance Director, briefly went over the backup information on the payoff of Series 2007A Marina loan with the Commission members (attached to the original minutes). She reported that the City Council made the decision to keep the Marina and to hire a Marina Manager, and to prepare an Engineering Study of the condition, the probable costs for repairs, and the priority for the repairs of the Marina. She said this loan payoff will give them the opportunity to hand the new Marina Manager some wherewithal to go forth and start making the first set of repairs and improvements and then to move forward into the Engineering Study recommendations for long term capital improvements. Staff recommends that they proceed with the payoff of this loan at the earliest possible date with City Council approval. She noted that the bank payoff is only good through January 22<sup>nd</sup>. If the Finance Commission makes a motion to recommend this to the City Council she will re-up the bank's quote so it will be valid past the next City Council meeting date. She did not anticipate much of a change, but she will have to redo this and the savings might be slightly different either better or worse. However, she thinks there will still be savings. She asked the Commission to endorse staff's recommendation to pay off this loan.

Mr. Jones said there are two (2) benefits to this; it is a decent financial investment to payoff this loan and it allows the Marina to operate as an Enterprise Fund without other adjustments to fund Capital investments to the Marina.

**Mr. Smith made a motion that the Finance Commission approves the proposal to pay off the Marina loan. Mrs. Barton seconded the motion and it passed unanimously.**

**B) Payoff of Series 2007B-2 Dodgertown Loan**

Ms. Lawson briefly went over the backup information on the payoff of Series 2007B-2 Dodgertown loan with the Commission members (attached to the original minutes). She said the advantage of paying off this loan is that they will free up about \$660,000 a year for the next eight (8) years from the one (1) cent sales tax. She reported that the City's adopted budget, which includes the payoff of this loan, contains \$660,000 worth of projects in 2018/2019 that cannot proceed unless they do this. Staff recommends that they proceed with the payoff of this loan at the earliest possible date.

**Mr. Smith made a motion that the Finance Commission approves staff's recommendation to pay off the Dodgertown loan. Mr. Jones seconded the motion and it passed unanimously.**

Ms. Lawson briefly went over staff's recommendations for uses of residual cash after the sale of the Electric Utility to Florida Power and Light (FPL) is completed with the Commission members (attached to the original minutes).

**5. CHAIRMAN'S MATTERS**

Mr. Jones said that he discussed with the City Manager and with Ms. Lawson the question of how to come up with areas the Finance Commission might address. He said there are specific items in the Charter, but there is also verbiage that the Commission could be self directed to focus on some issues. He asked how does the Commission decide what the most constructive items are that they should focus on.

Ms. Lawson said that she brings items before the Commission that the City Council is interested in, such as the creation of the Other Post Employment Benefit (OPEB) Trust and the establishment of the General Fund Fund Balance Policy. She said that she will always have items that will come up just as the natural course of doing business.

Mrs. Barton said even though there is language in the Charter that leaves it open for self direction she is not in favor of self direction. She said that she sees the Commission as being advisory to be helpful where they are wanted. She does not want to make issues, but to advice the City Council or Ms. Lawson on issues when they are called upon.

Mr. Smith said it is a difficult question because the Commission can help with financial issues, but in terms of City policy if they don't rely on City Council for direction then they would be wasting their time in most cases. He said that he would prefer to leave their charge as it is. He said it is not their job to go out and look for things, but it would be appropriate if they know of something, such as something another City is doing.

Mr. Jones asked when would be the appropriate time for the Commission to review monthly financial statements.

Ms. Lawson said a few years ago the Finance Commission decided not to review monthly financial statements any longer because they realized the City's budget to actual controls were back on track and opted to do quarterly financial reviews. She reported that the quarterly financial reports and variance analysis are ready for review in February and May and the final one (1) for the year they wait for the CAFR. She said if the Commission wants to go over the first quarter financial statement and variance analysis they could schedule a meeting for the second week of February.

Mrs. Barton said the first quarter does not give them a lot of information.

Ms. Lawson said staff still prepares the first quarter report and variance analysis so if the Commission wants to meet and discuss them they could do that.

Mr. Jones asked Mrs. Barton if she was suggesting that it would not be a useful exercise.

Mrs. Barton answered not after one (1) quarter.

Mr. Smith said when he first came on the Finance Commission it was useful because it taught him a lot about the financial statements in the budgets, the timing, etc. That was the benefit to him. He suggested that the Commission meets to review the financial statement and variance analysis after the second quarter.

Mrs. Barton agreed.

Ms. Lawson noted that staff will still produce and send the first quarter report and variance analysis to the Commission members. If when the members receive the information and they want to talk about it they can absolutely set up a meeting. She suggested that they set a meeting in mid-April to go over the CAFR.

Mrs. Barton asked that they wait to schedule that meeting until after the tax deadline.

The Commission members agreed.

## **6. MEMBER'S MATTERS**

None

## **7. CLERK'S MATTERS**

### **A) Approval of the Finance Commission's 2018 Annual Report**

The Commission members approved the Finance Commission 2018 Annual Report to be submitted to the City Council.

## **8. ADJOURNMENT**

Today's meeting adjourned at 2:56 p.m.

/sp