

**FINANCE COMMISSION MINUTES**  
**Wednesday, December 18, 2019 – 9:30 a.m.**  
**City Hall, Council Chambers, Vero Beach, Florida**

**PRESENT:** Chairman, Robert Jones; Members: Scott Nuttall, Gene Waddell, Kathryn Barton and Alternate Member #1, Dan Stump **Also Present:** Finance Director, Cindy Lawson; Assistant City Attorney, Karen Emerson and Deputy City Clerk, Sherri Philo

**Unexcused Absence:** Mr. John Smith

**1. CALL TO ORDER**

Today's meeting was called to order at 9:32 a.m.

Mr. Jones explained that his intent with having the items listed on today's agenda under Finance Director's Matters were more of a checklist and under Member's Matters were things the Commission might be called upon to provide financial input on.

**2. ELECTION OF OFFICERS**

**A) Chairman**

**Mrs. Barton nominated Mr. Robert Jones for Chairman of the Finance Commission. Mr. Waddell seconded the nomination. There were no other nominations.**

**Mr. Robert Jones was unanimously appointed Chairman of the Finance Commission.**

**B) Vice Chairman**

Mr. Jones said that Vice Mayor Laura Moss mentioned that Mr. Smith has or will be moving outside the City. He asked Ms. Lawson if she knows anything about this.

Ms. Cindy Lawson, Finance Director, answered no. She said the City Clerk's office could check on Mr. Smith's status as to his residency.

**Mr. Barton nominated Mr. Gene Waddell for Vice Chairman of the Finance Commission. Mr. Waddell declined the nomination.**

Mr. Jones asked Mrs. Barton. Mrs. Barton said that she didn't think she could fit that in her schedule.

Mr. Nuttall said because of being new on the Commission and because of his schedule, he would not be able to serve in the capacity of Vice Chairman.

Mrs. Karen Emerson, Assistant City Attorney, said although Mr. Smith is not present today, it is possible to nominate and elect him as Vice Chairman and let him advise the Commission at their next meeting if he is still a resident of the City and therefore qualified to be a member of the Commission.

**Mr. Jones nominated Mr. John Smith for Vice Chairman of the Finance Commission. Mrs. Barton seconded the nomination.**

**Mr. John Smith was unanimously appointed Vice Chairman of the Finance Commission.**

### **3. APPROVAL OF MINUTES**

#### **A) May 8, 2019**

**Mr. Nuttall made a motion to approve the minutes of the May 8, 2019 Finance Commission meeting. Mr. Jones seconded the motion and it passed unanimously.**

### **4. PUBLIC COMMENT**

Mr. Keith Drewett said that he would like to speak about financing for redevelopment of the Marina. He reported that the consultant's report on the Marina is expected to be completed in January. He said at the last City Council meeting there was discussion about financing capital projects and Ms. Lawson pointed out that \$21 million of excess electric sale proceeds is available to the City Council for capital projects at any time. He felt redeploying these funds to the inter-development of the Marina would give the City a better rate of return. His idea is that the City make available to the Marina a certain amount of money as a revolving line of credit for capital projects, which each project would need approval of the City Council.

Ms. Lawson said that is something that has been discussed before and there are accounting mechanisms for inter-fund loans. She said this is very attractive and does avoid a lot of costs. She said it is her understanding that the consultant's report will include a prioritization of projects at the Marina.

Mr. Drewett noted that he is a member of the Marine Commission, but is speaking today on his own behalf.

Mr. Jones felt it would be appropriate for the Finance Commission to study the business case for the discrete projects. He said the projects could be divided into several projects and phased. He said the obvious question for the Finance Commission would be to discuss with Ms. Lawson the mechanisms for doing a revolving line of credit.

### **5. FINANCE DIRECTOR'S MATTERS**

Ms. Lawson said it is her understanding that she is to give the Commission members a review of the following items that are in the Finance Commissions part of the Charter and give her comments as to how the Commission is either fulfilling them, which will be discussed in the future, or has been discussed in the recent past.

**A) Specific Finance Commission Charter Items**

**1. Review of City Financial Statements and Reports**

Ms. Lawson reported that not only does the Commission review the quarterly reports, but that is also something they do annually when they discuss the Comprehensive Annual Financial Report (CAFR).

**2. Review City Loans**

Ms. Lawson reported that any new loan, refinancing of a loan, and refunding or pay-downs of loans have all come before the Finance Commission prior to going before the City Council for approval.

**3. Review and Recommendations on Budget Formats**

Ms. Lawson reported that they have a budget format that works.

**4. Review Selection of Accounting Firms and Bond Council**

Ms. Lawson reported that reviewing the selection of accounting firms and Bond Council is something the Commission does and in the coming fiscal year they will be involved in this again. She explained that State Law is explicit when it comes to how to choose an external audit firm, which requires the appointment of an Auditor Selection Committee, Request for Bids, Shortlisting, etc. This was done six (6) years ago when they chose the current auditors. She reported that this year staff received City Council approval for a one (1) year extension for the City's current audit firm because this is the year they are closing out the electric utility. She reported that the City's Bond Council, Nabors, Goblin and Nickerson, P.A., is an excellent Firm and in her opinion is one of the best Bond Council firms in Florida.

**5. Review of City Investments**

Ms. Lawson reported that review of City investments is inherent in the Commission's review of CAFR. She reported that she has been working on a rewrite to the City's Investment Policy with her Investment Advisors and when she has a draft put together, she will bring it before the Finance Commission prior to recommending it to the City Council.

**6. Review of Transactions Requested by the City Council**

Ms. Lawson reported that regarding review of transactions requested by the City Council, some recent examples in the last few years were things related to the utility sale, Other Post Employment Benefits (OPEB), and freezing of the Pension Plan.

**7. Review Finance Commission’s Own Initiatives**

Ms. Lawson said this item would fall under item 7A-1) City Key Initiatives.

**8. Annual Review of Pension Funds**

Ms. Lawson reported that the annual review of Pension Funds is reviewed when they review the CAFR.

**B) Other Finance Director Agenda Items**

None

**6. CHAIRMAN’S MATTERS**

None

**7. MEMBER’S MATTERS**

**A) Key City Initiatives – Mr. Robert Jones**

- 1. Review Business Case for Specific Marina Renovation and Expansion Initiatives Identified by the Marina Plan**
- 2. Identify and Analyze Potential Approaches for Accelerating Marina Renovation and Expansion Plans via Financing Mechanisms**
- 3. Review Business Case and Financial Plan for Movement of the Water Treatment Facility from the 17<sup>th</sup> Street Property to the Airport Site**
- 4. Review of Financial Elements Relating to the Unfolding Concepts for Repurposing the Three Corners Site**
- 5. Review of Proposed Investment in Ocean Drive Parking Solutions**
- 6. Other Potential Transactions**

Mr. Jones reported that he had a discussion with Ms. Lawson when he sent her a draft agenda and she correctly counseled him that the Finance Commission has specific areas of primary responsibilities, such as loans, auditors, etc. He said in the case of the Three Corners, they have a special Committee and the Finance Commission probably shouldn’t position themselves as another “hurdle.” He explained that the items listed above are potential items that the City

Council or another Commission/Board might request financial input from the Commission. He said they have had situations in the past where Finance Commissions have had an agenda of their own, which does not always work out.

Ms. Lawson gave a brief update on some of the items listed above. She reported that regarding the moving of the Wastewater Treatment Plant, the technology has been chosen and the preliminary design is underway. She said that the City has a financial consultant who is also a rate consultant who has put together a model on how to handle the debt service and is going to come up with some alternatives. She felt they should have the preliminary financing plan in the second quarter of next year, which she would bring before the Finance Commission to review because it will involve loans of some sort. She reported that there has been a lot of community engagement regarding the Three Corners property. She said they are currently at the phase where they want all ideas on the table before they start thinking about the financial side of this. She had no doubt that the Finance Commission would be involved once they start talking about money. Regarding beachside parking, she thought she heard that the final parking study would be coming before the City Council in February. She reported that at this point, there has been a lot of ideas tossed around, but there has not been any Council direction as to if there would be any investment in the solution or any possibility of generating a revenue source to offset an investment.

## **8. CLERK'S MATTERS**

### **A) Annual Report**

**Mr. Waddell made a motion to approve the Annual Report with the addition of today's meeting summary. Mr. Nuttall seconded the motion and it passed unanimously.**

## **9. ADJOURNMENT**

**Mr. Nuttall made a motion to adjourn today's meeting at 10:07 a.m. Mrs. Barton seconded the motion and it passed unanimously.**

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