



## **Finance & Budget Review Committee Meeting**

**155 Corey Avenue**

**9/14/2011  
10:00 A.M.**

**Call to Order  
Pledge of Allegiance  
Roll Call**

### **REGULAR MEETING**

- 1. Changes to the Agenda**
- 2. Audience Comments**
- 3. Approval of Minutes**
  - a. July 7, 2011**
  - b. July 19, 2011**
- 4. Action Items**
  - a. None**
- 5. Items for Discussion**
  - a. Review of proposed Fund Balance Policy**
- 6. Reports**
- 7. Adjournment**

### **APPEALS**

If a person decides to appeal any decision made at this Meeting, they will need a record of the proceeding and, for such purpose, may need to ensure that a verbatim record of Meeting is made, which record includes the testimony and evidence upon which the appeal is to be based. (F.S. 286.0105) the city does not furnish verbatim transcripts; interested parties should make the necessary arrangements for verbatim transcripts.

Agenda Material is available for review at City Hall on the Friday preceding the Meeting. In accordance with the American's with disabilities Act and F.S. 286.26, persons with disabilities needing special accommodations to participate in this Meeting should contact Connie Kest at (727) 363-9243 no later than four (4) days prior to the Meeting for assistance.

## **FINANCE & BUDGET REVIEW COMMITTEE**

**September 14, 2011**

**10:00 am**

### **MINUTES**

**CALL TO ORDER  
PLEDGE OF ALLEGIANCE  
ROLL CALL**

#### **PRESENT**

**Sandie Lyman, Member  
Pete Uebelhoer, Member  
John Samorajczyk, Member  
Joanne Melodayo, Chairperson  
Jeff Munford, Member**

#### **ALSO PRESENT**

**Elaine Edmunds, Finance Director  
Rebecca Haynes, City Clerk**

**1. Changes to the Agenda**

None were presented.

**2. Audience Comments**

There were no audience comments.

**3. Approval of Minutes**

a. Minutes of July 7, 2011

**Member Uebelhoer made a motion to approve the Minutes of July 7, 2011, as presented. The motion was seconded by Member Samorajczyk and unanimously approved.**

b. Minutes of July 19, 2011

Member Uebelhoer requested the following corrections:

On Page 3, the second paragraph, the first sentence, change Chairman Uebelhoer to Member Uebelhoer.

On Page 3, under "Reclaimed Water" the word enter should be stricken.

On the signature page, it should be signed by Joanne Melodayo, as Chairperson.

Also on Page 3, at the third paragraph that starts with Jim Parent, on the second line 6.84/mil should be changed to 6.84%.

**Member Uebelhoer made a motion to accept the minutes of July 19, 2011, with the changes requested. The motion was seconded by Member Samorajczyk and unanimously approved.**

**4. Action Items**

There were none for this meeting.

**5. Items for Discussion**

**a. Review of proposed Fund Balance Policy**

Chairperson Melodayo called upon Finance Director Elaine Edmunds to proceed.

Finance Director Edmunds explained to the Committee that the Governmental Accounting Standards Board (GASB) has enacted a new ruling known as GASB 54 and they are changing the terminology of the Fund Balance section. The new terminology will be shown in the City's 2011 audit.

Ms. Edmunds went on to say that the City has never had a formal Fund Balance policy and she feels strongly that they should to govern use of reserves.

Ms. Edmunds proceeded with a power-point presentation for the Committee describing a Fund Balance Policy and how it is to be administered.

Ms. Edmunds reviewed a draft of the Fund Balance Policy and recommended that it be enacted by ordinance since the budget is adopted by ordinance.

Chairperson Melodayo asked if the Fund Balance has to be liquid and Mrs. Edmunds responded by saying that the whole fund balance is assets minus liabilities which would be liquid with the exception of those assets that are not "spendable," such as long term receivables and inventories.

Mrs. Edmunds further explained that unforeseen emergencies would be listed under Committed Fund Balance. The Commission would establish whatever they want to commit for unforeseen emergencies.

The line of credit at Wells Fargo Bank for disasters was discussed and Mrs. Edmunds advised that the line had just been increased this past year to \$5 million. Copies of the City's financial statements are provided to the bank every year.

**The Committee unanimously agreed that a commitment by the Commission to establish some level of funding for disasters is warranted.**

Jim Parent, St. Pete Beach, suggested that the Committee look at how long it will take to get funding from FEMA and stated he is concerned about the City's pension debt and how it might impact the City's ability to borrow money.

Mrs. Edmunds advised that some City's have an insurance deductible reserve. She stated that she has inquired about the City's deductibles but has not received that information.

The Committee held a general discussion regarding how to establish a reserve fund for the unfunded liability of the pension plans.

**Member Munford made a motion to recommend that the City Commission establish an Insurance Reserve Fund, a Disaster Reserve Fund and a Pension Reserve Fund, with the amounts to be determined at a later date. The motion was seconded by Member Uebelhoer.**

The Committee had a general discussion regarding the Pension Reserve Fund being recommended to the Commission.

**Member Munford amended his motion to recommend that the City Commission establish an Insurance Reserve Fund, a Disaster Reserve Fund and a Pension Reserve Fund, to be determined. Member Uebelhoer seconded the amended motion.**

**At this point, Mr. Munford made a motion to withdraw his previous motion. Mr. Uebelhoer seconded the motion. The motion was approved by a unanimous vote.**

**Member Munford made a motion for the establishment of the Fund Balance Policy to include an Insurance Deduction Reserve, Disaster Reserve and Pension Reserve, to be determined. Member Uebelhoer seconded the motion. The motion was approved by a unanimous vote.**

Chairperson Melodayo asked for audience comments. There were no comments.

**6. Reports**

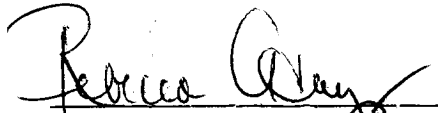
Mrs. Edmunds reported that the City Commission will consider the millage and adoption of the budget at their 6:00 p.m. meeting tonight. She advised that the Commission was going to consider the roll back rate, as recommended by the Committee. She pointed out that due to the PSTA costs not being as much as anticipated the City Commission was able to add the Fireworks and Holiday decorations to the budget as well as several other projects. She pointed out that the reserve fund should be about 25% after the budget is adopted.

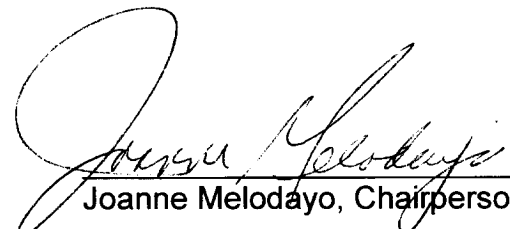
The Committee was in agreement to hold a meeting on October 27, 2011 at 2:00 p.m. to discuss the preliminary FY 2011 financial statements and the percentage of funds to be placed in the reserve accounts.

**7. Adjournment**

Being no further business, the meeting was adjourned.

Attest:

  
Rebecca C. Haynes, City Clerk

  
Joanne Melodayo, Chairperson

Minutes approved on: 10-27-11