FINANCE & BUDGET REVIEW COMMITTEE MEETING MINUTES

May 5, 2021 – 3:00 P.M.

PRESENT: Rebecca Lyons, Vice Chair
Joanne Melodayo, Member
Jack Samorajczyk, Member

EXCUSED: Mary Hacker, Chair
Justin Hilliard, Member

STAFF PRESENT: Vince Tenaglia, Finance Director & Assistant City Manager
Ginny Bodkin, Deputy City Clerk

Vice Chair Lyons called the meeting to order at 3:00 PM.

1. Changes to the Agenda – Assistant City Manager Vince Tenaglia requested the addition of items d. Budget Calendar and e. Comprehensive Annual Financial Report discussion.

2. Audience Comments - There were no audience comments.

3. Action Items

a. Approval of Minutes February 3, 2021

Member Melodayo moved to accept the minutes from February 3, 2021 as presented. The motion was seconded by Vice Chair Lyons and the motion passed unanimously.

b. Election of Officers 2021-2022

Member Samorajczyk moved and Member Melodayo seconded to postpone the election of officers to the next meeting. The motion was carried unanimously.

c. Fiscal Year 2021 Second Quarter Financial Report

Mr. Tenaglia began the review of the report, which is made part of these minutes. The Budget Status Summary, representing 50% completion of the fiscal year, showed 37% of budgeted revenue received, 37% of budgeted expenditures disbursed, and revenue exceeding expenditures by $433,000. He reviewed any notable items in the revenues and expenditures of the General, Building, Fleet, Capital, Wastewater, Reclaimed, and Stormwater Funds, which are mostly on track; the Building Fund is exceeding expectations.

Notables in the General Fund Revenue Fund review were that plan reviews were up 78% year-over-year, parking citations up 60%, lien revenue up 22%, and an unexpected legal settlement of $11,400 was recognized. These gains helped offset lagging interest earnings. Mr. Tenaglia reported that there were no General Fund Expenditures exceeding 50%, and he gave an overview of those and Enterprise Funds, answering Committee questions throughout.

Capital Improvement Project (CIP) Status review followed, with no variances to report. Notable items were the completion of the Library renovation and the pause of the Upham Beach Parking Lot project due to an easement matter. Those funds may be reappropriated to another project included in the CIP and the parking lot deferred to a later date. Concurrency due to redevelopment was discussed in terms of infrastructure expenditures, including the expansion and upgrades of Force Main and Pump Station #1; these types of projects are being evaluated.

In the final section of the report, Cash Balance, Mr. Tenaglia pointed out that the FL Safe Local Government Investment Pool Account full balance was utilized for the Sewer Expansion Project. He indicated that interest rates are watched closely, and reallocations are made accordingly. Interest rates in general are underperforming.

Following the Financial Review, Mr. Tenaglia explained that Chair Hacker found it necessary to resign from this Committee; the City Commission will go through the appointment process for a new member. Mr. Tenaglia and the Committee members praised Mrs. Hacker for her many years of service and the tremendous knowledge and value that she brought to the Committee.

d. Budget Calendar (Added)

Dates for the Budget Calendar were discussed. The CIP Project Review was scheduled for June 16th from 10:00 AM to 2:00 PM and the Finance and Budget Workshop for July 14th from 9:00 AM to 5:00 PM. Mr. Tenaglia will reach out to Member Hilliard with the dates.

e. Comprehensive Annual Financial Report (CAFR)

Mr. Tenaglia asked to call attention to a few items in this report, as they are relevant to recent discussions at the City Commission level.

Next Tuesday, there will be a final reading of an Ordinance with changes to the Firefighter's Pension, as Union negotiations have concluded. Unique to the Firefighter's Pension, the members bear a portion of the burden (which may be uncapped in an unfavorable actuarial experience) and the City funds a multiplier. Mr. Tenaglia explained the differences in the three pensions (Fire, Police, and General). The General Pension is the most traditional. He directed the Committee to Page 63 of the CAFR Report which shows the current net liability of each plan and sensitivity to rates of return.

Mr. Tenaglia finally directed the Committee to the General Fund Unassigned Balance on Page 29 of the CAFR. This is the most available source of funds the City has, and it is discretionary. The fund balance is healthy at $9.2 million, and it is practical to refine a framework on how to manage that for emergency response, recessions, and similar purposes.

An agenda item will be added to the next meeting to schedule a review of the CAFR (including pensions), after the FY 2022-23 budget has been finalized.

4. Adjournment

Member Melodayo moved and Vice Chair Lyons seconded adjournment at 4:12 PM.

These minutes were approved at the August 4, 2021 Finance and Budget Review Committee meeting.