

**FINANCE COMMISSION MINUTES**  
**Tuesday, September 28, 2021 – 9:30 a.m.**  
**City Hall, Council Chambers, Vero Beach, Florida**

**PRESENT:** Chairman Robert Jones; Vice Chairman, Kathryn Barton; Members: Scott Nuttall, Joan Edwards and Alternate Member Jay Kramer **Also Present:** Finance Director, Cindy Lawson; Assistant City Attorney, Jenny Flanigan and City Clerk, Tammy Bursick

**Excused Absences:** Mr. Gene Waddell and Ms. Gretchen Hanson

**1. CALL TO ORDER**

Today's meeting was called to order at 9:30 a.m.

**2. APPROVAL OF MINUTES**

**A) March 24, 2021**

**Mrs. Edwards made a motion to approve the March 24, 2021 minutes. Mr. Kramer seconded the motion and it passed unanimously.**

**3. PUBLIC COMMENT**

There were no public comments made at this time.

**4. FINANCE DIRECTOR'S MATTERS**

**A) Review of Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2020**

Ms. Cindy Lawson, Finance Director, reported that it is a little late to be talking about the Comprehensive Annual Financial Report (CAFR) that ended on September 30, 2020. However, she felt that it was important that they spend a little time going through the different sections of the CAFR and pointing out the useful information that is contained in the CAFR. She said that the CAFR is the City's financial status and what has happened throughout the year. She then briefly went through the CAFR.

Ms. Lawson handed out documents (attached to the original minutes) concerning the three (3) City pension plans, which are the General Employees' Pension, Police Pension, and Fire Pension. The City's net pension liability in total is around \$15 million. Each of these plans have over 90% funding right now. She referred to page 87 of the CAFR, which is called the sensitivity plan that outlines the current investment return assumption. Ms. Lawson expressed that each of these three

(3) pension plans are completely different. The attached graph shows the funding status of these pension plans for the last seven (7) years.

Ms. Lawson went over the OPEB liability located on page 97 in the CAFR. She said this shows the complete new OPEB liability that must be shown on the books now the same way that they show the pension plans. The City created an OPEB Trust that seems to be working very well. She said that contributions are being made to the OPEB Trust every year.

Ms. Lawson went over the Stat Section of the CAFR starting on page 153 that she feels is extremely useful.

Ms. Lawson referred to page 32 of the City's Fund Balance in the General Fund and money that has been put aside to be spent on specific things. This includes the unfunded pension liability where there is still \$12 million left in the fund and the City will continue contributing until it is fully funded. She said other things included are contributions that go towards some of the former electric employees that do not work for the City anymore and \$5 million has been set aside for emergency situations like hurricanes. She said that the City is in good financial shape.

#### **B) Review of FY 20-21 Third Quarter Financial Report and Variance Analysis**

Mrs. Kelly Brost, Comptroller, commented that it was nice that there were not a lot of things to have to point out and highlight in the Third Quarter Financial Report and Variance Analysis. She referred to pages 22 and 23, which covered the Recreation Department. She said that the Recreation Department is actually doing well despite all the challenges that they have had. She does not see any reason why they would not hit their numbers by the end of the year. She said that their rental fees have been way down because of Covid. The other area is the Marina. She said that they are doing well with their revenues and anticipate that they will exceed their expectations for the year.

#### **C) Auditor Selection Committee Final Ranking & Recommendation to Council**

Ms. Lawson commented that the Audit Selection Committee who consisted of Mayor Robbie Brackett and Finance Commission members Scott Nuttall and Kathryn Barton chose Cherry Bekaert for their auditor out of seven (7) different proposals that were received.

Mrs. Barton expressed that they were all good proposals and it was a tough choice, but she felt that they made a good selection.

Mr. Nuttall echoed the same comments made by Mrs. Barton. He said that it was a very good process that they went through in selecting a firm and was impressed with the response that they received. In the end they selected the same firm that they are presently using.

Ms. Lawson thanked Mrs. Barton and Mr. Nuttall for volunteering their time and being on the Audit Selection Committee. She said that they will not need to do this again for another eight (8) years.

**D) Update on City Projects:**

**1. New Water Reclamation Facility**

Ms. Lawson reported that the Water and Sewer Director is presently negotiating with the firm selected to do the engineering for the new Water Reclamation Facility. She said that it would be at least 18 months before bidding goes out for any of the projects. They are working on putting together a financial plan and looking at the City's bond rating. She said at some point they plan on doing a rate study.

Mr. Jones brought up the territory agreement and asked if there were any risks being taken.

Ms. Lawson explained that they are a long way from construction and they don't plan on building a facility that would be bigger than what they needed. She said that would be the only risk involved that she could see.

**2. Three Corners Redevelopment**

Ms. Lawson reported that their Financial Advisor is working on preparing the City a Financial Feasibility Report for the last Concept Plan presented for the Three Corners property and voted on by the Three Corners Steering Committee. They hope to have that study done by the end of October or the beginning of November.

**3. Marina Master Plan Capital Projects**

Ms. Lawson explained that the City Council agreed to take \$2 million from the \$21 million capital reserve and loan it to the Marina for their master plan project and the loan is to be repaid over a 15-year span. The advantage to doing this is that she doesn't want to see the Marina get back into the financial situation that they were before when they had to be bailed out. She said if hardships should come up the City Council could always forgive the Marina loan or even give the Marina a year off from having to make payments. There are alternative ways in handling this that they would not be able to do if they went to a bank and borrowed the money.

Mr. Jones commented that he noticed in a schedule that the Marina submitted to the Florida Inland Navigation District (FIND) that the numbers were totally different than some of the numbers he is now seeing.

Ms. Lawson explained at the time that they submitted the application for the FIND grant they were still looking at the lower end for funding. They have since submitted another follow up request for additional funding from FIND.

**5. CHAIRMAN'S MATTERS**

Mr. Jones said that all of his items have been addressed.

**6. MEMBER'S MATTERS**

None

**7. CLERK'S MATTERS**

Mr. Jones asked when their next meeting will be. The Commission and Finance Director agreed in looking at mid-November to schedule their next meeting.

**8. ADJOURNMENT**

**Mr. Kramer made a motion to adjourn today's meeting at 10:28 a.m. Mr. Nuttall seconded the motion and it passed unanimously.**

/tb