

Minutes from the Finance Review Committee meeting called Feb 20, 2023, at 9:00A.M.

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**MONDAY, FEBRUARY 20, 2023
FINANCE REVIEW COMMITTEE MEETING –9 A.M.**

Present: Frank Hall, Chairman
Joey Ginn, Deputy Chairman
Steve Novakoski
Al McCambry
Vickie Gainer, City Manager
Kiki Roman, Finance Director

Apologies: Sue Bynum

Item #1. Call to Order. Chairman Frank Hall called the meeting to order at 9:00 am

Item #2. PUBLIC COMMENTARY.

There was none.

Item #3. REVIEW BYLAWS AND DISCUSS FUTURE GOALS.

Chairman asked what specifically needed to be reviewed in the bylaws.

Ms. Roman advised Section 5 on page two is slightly different to the original resolution, and she asked the Committee to please review Paragraph A.

Chairman asked when the prelim budget will be presented and Ms. Roman advised mid-Sept, depending on the School Board and Bay County budget meeting dates.

Mrs. Gainer reminded the Committee that she meets individually with each Commissioner every year so they can go over the budget line by line in a 2-hour session.

Chairman asked what the commission wants out of this committee until then?

Ms. Roman said she was not sure.

Chairman asked if the city is on track with the debt plan?

Ms. Roman said yes and explained activities taken over the past year.

Chairman asked if projected FEMA refunds are on track.

Mrs. Gainer advised yes, the city has received a total of almost \$28 million and FEMA still owes about \$20 million already obligated.

Mr. McCambry – are there any areas of concern that they will reject a reimbursement request?

Mrs. Gainer advised she has not seen areas of concern yet. Cross-roads will be what insurance money we get at the end because we cannot double dip. So, FEMA will deduct according to the insurance declaration before paying out the final amounts.

Chairman asked about the new building progress.

Mrs. Gainer advised it was going as planned and in terms of funds, as with all the city's building projects.

Chairman would like to see a review next time of where the city is in terms of what was projected during the Debt Review process.

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Mr. Ginn asked that the city give them examples of what the fees of the surrounding cities are compared to Lynn Haven's. Mrs. Gainer will also give them the resolution of about 3 years ago about raising the utility rates, that the commission ended up not increasing them.

Mr. Novakoski asked if we could give a longer-term projection of utilities increases.

Ms. Roman advised she looked at the Stantec 5-year plan recommendation of a 4% increase annually that did not happen. The Sewer Department did receive the Commissions approval to increase rates 4% in fiscal 2023. However, to catch up to where we should be per the Stantec rate study, that should have had an increase of 12.5%. Sanitation is healthy and does not need to change.

Chairman asked what they took into account when they decided on the projected increases three years ago? He assumed they would have used a much lower inflation rate when they made those projections, so the 4% annual increase would not have been enough in today's terms in any event.

Ms. Roman indicated that the sewer rates are the ones she would like to be focused on. Ms. Roman to get some financial information from other local municipalities for the committee members as a foundation to work from.

Mr. McCambry said if we do not increase the fees we will end up with a degradation of services.

Ms. Roman – The Disaster Bond rating went from A3 to A2, which is a good thing. There is a cash flow concern for the sewer department, and we need to keep an eye on that as it may potentially affect the bond rating. Future projects to increase sewer capacity and expansion are anticipated to be close to \$30 million.

Mrs. Gainer will get the details for the Committee in terms of the capacity and expansion and the current projected project cost.

Mr. Novakoski – there must be federal funding out there for this type of thing.

Mrs. Gainer said that the city generally applies for federal grants it qualifies for and our dedicated Grants Manager is always looking for federal grant opportunities.

Mr. McCambry – is the capacity increase in line with forecasted growth for the city or for existing services?

Mrs. Gainer said for the growth of the city.

Mrs. Gainer will forward to them the PowerPoint on the future growth of the city that she put together.

Ms. Roman explained they are just now starting to meet with the department heads to discuss the fiscal 2023 mid-year budget adjustments.

Chairman asked Ms. Roman what the cash position looked like currently.

Ms. Roman said it was good.

Actions:

- Debt review update by Kiki Roman.
- Kiki Roman to do a utility facility fees in surrounding areas comparison.
- Vickie Gainer to forward the Committee members the projected growth PowerPoint.
- Next meeting Friday, May 19th, 2023, at 1.30pm.

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Item #4. Adjourn.

Motion by Ginn
Second to the motion

To adjourn the meeting.
McCambry

On Vote:

Ginn
McCambry
Hall
Novakoski

aye
aye
aye
aye

Motion passed: 4-0

Meeting adjourned at 9.26 AM

APPROVED THIS 19th DAY OF May 2023.



Frank Hall, Chairman

ATTEST:



Vickie Gainer, City Manager

prepared by Cicelia Rushing