MINUTES

COUNCIL FINANCE, HUMAN RESOURCES and CITIZEN APPOINTMENT COMMITTEE

Monday, January 22, 2024 – 11:00 AM
City Hall Council Chambers

Members Present:	Lauren Wise, Chair, Council Member Gary Daniel, Vice-Chair, Council Member Susan Miller, Citizen Member Mayor Maureen Copelof, Ex-Officio Member
Staff Present:	Wilson Hooper, City Manager Kelley Craig, Human Resources Director Alex Shepherd, Assistant to the City Manager
Guest:	Harvey Sankey

A. Welcome & Call to Order

Committee Chair Lauren Wise welcomed everyone and called the meeting to order at 11:00 AM.

B. Certification of Quorum

Quorum was certified by Assistant to the City Manager Alex Shepherd.

C. Approval of Agenda

Motion by Mr. Daniel, seconded by Ms. Miller to approve the revised agenda to add a section G. Brevard Housing Authority Applicant. The motion carried unanimously.

D. Approval of Minutes of November 27, 2023 Meeting

Motion by Mr. Daniel, seconded by Ms. Miller to approve the minutes of the November 27, 2023 meeting as presented. The motion carried unanimously.

E. Purchasing Policy Update

Mr. Hooper informed the committee that the proposed purchasing policy goes further than what the State's statutes require. We are not asking for a vote today. The first notable item that you will see is that the policy emphasizes the importance of competition, meaning that we will seek the best deal available. The second notable item

is that our thresholds will be stricter than what the State requires. For the purchase of goods, we will formally bid everything expected to cost over $75,000. For construction, we will bid everything expected to cost over $250,000, whereas the State requires us to bid everything expected to cost over $500,000. For professional-based services, we will use a Request for Qualifications (RFQ). Mr. Hooper added that the other item the policy covers is our procedures for paying for items. The most notable change here is that all purchases and contracts entered into with a cost over $5,000 will require a purchase order. A purchase order encumbers funds for goods and services we expect to buy before we actually receive them. This way, when we receive the invoice, we know that the funds have been budgeted for. Our auditor has suggested that we make this change in our policy for when a purchase order is required. Another change in the purchasing policy is that all contracts and arrangements between $30,000 and $100,000 per year will be reviewed every three years. Mr. Hooper informed the committee that staff will come to the City Council for approval of changes to capital projects, change orders, and bids when they meet a certain threshold.

Mr. Daniel asked if Mr. Hooper could provide an example of capital projects and the purchasing policy threshold.

Mr. Hooper explained that if we budgeted $1 million for a capital project and the bids come back at $950,000, then if we have a change order for $7,500, the City Manager can approve the change order because the total cost of the project is below the original budget. However, if it is for $50,001, then the City Manager would need approval from the City Council.

Mr. Wise asked what would be the case if it was a large emergency issue and not a judgment decision to where the expense is around $1 million.

Mr. Hooper clarified that he would only be administratively able to proceed if it is within budget. If it exceeds the budget and has a special timing situation, it should not be more than 5% of the project cost.

Ms. Miller inquired about a quarterly report to Council so that they would be informed of capital project purchases.

Mr. Daniel suggested that it would probably need to be updated more frequently than quarterly.

Mr. Hooper informed the committee that Mr. Luebbe has informed him that he will most likely be asking for additional funds to help replace our financial system, which is not user-friendly.

Ms. Miller asked if the City has the ability to piggyback off State contracts, and if so, does this need to be mentioned in the purchasing policy.

Mr. Hooper confirmed that yes, we are allowed to.

F. Ecusta Trail Advisory Board Applicants

Mr. Wise mentioned that there are a lot of applicants and asked if the committee has a general idea of who they wish to nominate for the Ecusta Trail Advisory Board.

Mr. Daniel said there are two strong candidates, and he would like to nominate Ms. Hanley. Mr. Daniel also inquired about the policy on membership for these committees because he noticed that most of them do not live within the City limits.

Mr. Hooper explained that for advisory boards, residency within the City limits is not required; however, for policy committees, residency within the City limits is necessary.

At 11:36 AM, a motion was made by Ms. Miller and seconded by Mr. Daniel to recommend the appointment of Ms. Madeline Hanley to the Ecusta Trail Advisory Board. The motion passed unanimously.

G. Brevard Housing Authority Applicant

Mr. Wise said that there is one applicant for the Brevard Housing Authority.

At 11:37 a motion was made by Mr. Daniel and seconded by Ms. Miller to recommend the appointment of Jennifer Kerr to the Brevard Housing Authority. The motion passed unanimously.

Additional Comment:

Mr. Daniel said that after meeting with the auditors, he does not have a clear explanation for how the uncommitted fund balance works.

Mr. Hooper mentioned that he will provide an explanation to help City Council understand this topic. He added that we have also started putting together our City Council retreat facilitator and have begun to draft the agenda.

Mr. Sankey asked who approved the purchase orders.

Mr. Hooper replied that our Finance Director does, and once purchase orders are over a certain amount, I will have to approve them.

Mr. Sankey inquired about the RFQ progress for the Wastewater Treatment Plant.

Mr. Hooper said we are waiting for a firm to submit their qualifications. Then we will narrow down the firms to three or four and have them give presentations to the Public Works Committee. Afterward, the Public Works Committee will provide their recommendation on which firm we will hire. The firm is being hired to project our future wastewater needs. Then they will make recommendations on the type of wastewater system we should build.

Mr. Sankey asked if the City had a reserve fund set up for capital expenditures.

Mr. Hooper mentioned we do have a raining day fund in the general fund which is around $4 million. We are required by the State to hold 8% in fund balance and the City Council has previously established a policy to require 25% in fund balance. As of right now the $4 million equates to around 40% of our total general fund expenditures. The retained earnings fund in the utilities fund is about $1.9 million which is a little low for a utility fund. Mr. Hooper stated that during the auditors presentation they noted that we have graduated out of one of our financial indicators of concern from last year and that was not enough liquid cash in our utility reserve fund.

Mr. Sankey asked do we have a reserve fund for the wastewater treatment plant.

Mr. Hooper responded and said no, but City Council has given me the approval to establish a high strength waste surcharge to raise additional capital for construction of the wastewater treatment plant. However, we have put that on hold because we have secured $13 million from the State budget but that proposal is going to come back. It will help spread the cost of treating our wastewater more equitably across our customer classes.

Mr. Daniel asked the question are there any restrictions on whether we build a City and County wide system.

Mr. Hooper said the only restriction is what our waters are permitted to accept. For example, if the receiving water is permitted to accept up to 4.5 million gallons per day then they will not fund a 5 million gallon per day plant.

H. Set Date for Next Meeting

The next meeting of the Finance & Human Resources Committee will be on Monday, February 26, 2024, at 11:00 AM.

I. Adjourn

There being no further business, the meeting was adjourned at 12:19 PM.

X _____

Lauren Wise
Chair, Council Member

Minutes Approved: February 26, 2024

X _____

Alex Shepherd
Assistant to the City Manager