

TOWN COUNCIL
SPECIAL COUNCIL MEETING
MINUTES
November 28, 2022

PRESENT: Mayor Angie Gardner, Vice Mayor Rodney Daniels, Councilman Marlin Daniels, Councilwoman Wanda Randolph. **STAFF:** Jacob Schumer, **Town Attorney**, Randy Singh, **Chief Administrative Officer**, Veronica King, **Town Clerk**, Joseph Jenkins, **Deputy Chief**, and Katrina Gibson, **Finance Director**, (*NOT PRESENT: Councilman Theo Washington*)

CALL TO ORDER & VERIFICATION OF QUORUM

Mayor Gardner called meeting to order at 5:35pm with a verification of quorum through Mrs. King

INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Gardner led a Moment of Silence followed by the Pledge of Allegiance.

CITIZEN PARTICIPATION - THREE (3) MINUTES STRICTLY ENFORCED.

Mayor Gardner called for Citizen Participation; with (3) participating citizens. R. Clay Spears and Ned Bass opted out of speaking.

MICHELLE FORT – (Audit Report) How is Council approving payments and checks issued; weekly, monthly, and who is reviewing the amounts? Why is loan in default (State revolving loan fund), is there negotiation with the library as expiration date is approaching 2024? (Concerns): Financial Accounting Principles within the town; every year there are noted accounting issues. Outstanding loans, the budget for the fiscal year of 2021-2022; what measures are put in place to avoid making the same mistakes?

APPROVAL OF RESOLUTION 2022-67, Passing of the FY 2021 Audit Report: (Discussion): Heather Mosier, partner at Carr Riggs, and Ingram Auditing Firm provided an overview of the audit for September 30, 2021; looking to get issued by end of month. There are Unqualified Opinion for CRA, Governmental activity funds, and the business type activity. The Governmental Auditing Standard report identifies material weaknesses in financial reporting, non-compliance findings, non-compliance on debts created by financial weaknesses. List of Adjustments made in: deficit in financial contribution of fiduciary funds, corrected accrued payroll, accrued liabilities, compensated absences, utility accounts, true up on fund balances, receivables, correlated revenue accounts, adjusted the due to and due from accounts (same for CRA), Corrections to the CRA Tiff revenue (CRA was underfunded), recorded capital leases, accounts payable balances, recorded an admin service expense in revenue between the general fund and the water/sewer fund, recorded prepaid insurance in the CRA. Management Letter: Reports on findings, non-compliance with Florida Statutes, and discuss prior comments. Financial Close Process: last year findings were corrected (same findings over the years); need to get the books closed, reconciled, and balanced appropriately. Compliance Related Issues: Budgets and amended budgets need to be posted to website both on the Town and the CRA; both are not current. Cash activity to be filed with Department of Financial Services. CRA is to provide budget to the county ten (10) days after adoption (no evidence this was done), audit is to be completed within nine (9) months of the fiscal year end. Communications: significant accounting policy had no changes; seen in footnotes one and two. New lease standard will be effective September 30, 2022 (info has been given to the finance department on the new standard that will affect the town on many aspects); can assist with implementing the new standard. Accounting estimates were disclosed, no disagreements with management. Issues with the auditing was in timeliness of getting completed information, been non-compliant since 2017. Do have a covenant to meet on the SRS funding (revenue generated from the water and sewer fees); there is an action plan to increase the water/sewer rates. The Management Action Plan will remedy some of the findings. Question from legal: Is there a pledge to set rates at a level to pay back the loan; A pledge study is being done. The funding source is not calling the loan as long as there is a plan in place. The town will have to get things into compliance (water/sewer rates are not high enough to cover the debt). Although there is

no established timeline, because of the length of time, it is advised to make the correction soon. Florida league of Cities us aware that the town is working to resolve all matters. Councilwoman Randolph is asking to be more proactive on each item to include target dates for completion; this is a sense of urgency. The right people need to be in place. Auditor, with so many adjustments it can impair the auditor's independence where they are auditing their own work. Do understand the staffing issues this year; definitely need people in place. Next audit is due the end of March 202 for the fiscal year 2021-2022. Software needs to be updated, not user friendly. Council approval of the audit is required in order for the audit to be issued. Other: Accounts payable/receivables issues are the results of human and software deficiencies; timing is necessary for inputting and reconciling. Compensated absences are done on a separate schedule, not through ADP. New software will go live in January 2023 (accounting system) and in February 2023 (utility billing). Heather will get back with Councilman M. Daniels about the pre-paid insurance in the CRA. A couple months will be the reasonable timeframe with the proper staff and software in place. Is there a plan in place; Mr. Singh provided response expressing concerns about the audit with desire to provide solution after conducting a thorough evaluation. You can have the best systems but without the proper staff will result in what you get. A new will not correct all the issues; accounting, reporting and other matters. The goal is to do a complete evaluation of staff resources, systems, and internal controls; would like to meet with the auditor. Who gets the report and what is intended is a concern; state legislators, federal government will have concerns when considering grants that have been awarded. The pass that the state is issuing will not last long, this needs attention quickly. A strong financial picture is needed, so we know what needs to be fixed. Corrections with internal controls will put us on the right track. **Motion for approval Resolution 2022-67, Passing of the FY 2021 Audit Report;** moved by Mayor Gardner; second by Councilwoman Randolph; **AYE: ALL, MOTION PASSES.**

DISCUSSION: Reconsideration of the Special Exception at 440 W. Kennedy Blvd. for parcel located in the I-! Industrial zone for automobile repair and sells. Mayor Gardner stated that the client walked away not understanding why the motion died for lack of second. Administration at the advice on counsel is requesting to rehear the request and to properly issue letter or close out this item. Purpose of bringing it back; Florida law requires on a Quasi-Judicial hearing that there is either an approval, approval with conditions, approval in part, denial in part, or a denial; and must state the basis for the decision to comply with the statue. Councilman M. Daniel request complete information to be provided, applications, missing documents, and related materials before the hearing. Councilman M. Daniels will get with the Attorney and Planner. The applicant requests that the hearing take place in January; Council agrees to rehear the matter in January.

ADJOURNMENT: Motion to adjourn, moved by Councilman M. Daniels; seconded by Councilwoman Randolph; **AYE: ALL, MOTION PASSES. MEETING ADJOURNED** at: 6:17PM.

Respectfully Submitted by:

APPROVED

Veronica L King, Town Clerk

Angie Gardner, Mayor