

**AGENDA MINUTES
CITY COUNCIL
CITY OF ARCADIA
TUESDAY, JULY 18, 2017
6:00 P.M.**

The following minutes reflect action items of the City Council of the City of Arcadia. For a verbatim copy of the minutes, you may contact City Administration to obtain a copy of the recorded meeting.

INVOCATION, PLEDGE CALL TO ORDER AND ROLL CALL

Deputy Mayor Simons gave the invocation which was followed by the pledge of allegiance. The Mayor called the meeting to order at approximately 6:00 p.m. and the following members and staff were present:

Arcadia City Council

Mayor Judy Wertz-Strickland
Deputy Mayor Jaccarie D. Simons
Councilmember Keith Keene

Councilmember Susan Coker
Councilmember Robert W. Heine, Jr.

Arcadia City Staff

City Administrator Terry Stewart
City Clerk Penny Delaney
City Attorney T.J. Wohl

Utilities Director A.J. Berndt
Finance Director Beth Carsten
Lieutenant Gary Evans

PRESENTATIONS

Agenda Item 1 – Proclamation – Staff Sergeant Adam T. Morgan

Mayor Wertz-Strickland stated that Staff Sergeant Adam T. Morgan had retired from the military and the City of Arcadia had been requested by the military to prepare a proclamation regarding such. At this time, Mayor Wertz-Strickland read the proclamation into record and advised it would be sent to him by mail.

Agenda Item 2 – Audit Presentation (Julie Fowler, CPA and Brian Quinlin, CPA of CliftonLarsonAllen, LLP)

Julie Fowler, Assigning Director, and Brian Quinlin, Engagement Director of CliftonLarsonAllen, LLP, presented the audit presentation (a copy of which is on file in the City Clerk's office). Ms. Fowler explained the presentation would be broken into two (2) sections with the first section being an overview of the financial statements and the second section being the results of the procedures they had performed. Mr. Quinlin explained that the total assets totaled just shy of Forty Million and 00/100 Dollars (\$40,000,000.00) which was comprised of

current and other assets of Twelve Point Nine Million and 00/100 Dollars (\$12,900,000.00) (Ten Million and 00/100 Dollars (\$10,000,000.00) of that was cash of an unrestricted nature) and capital assets of Twenty-Seven Million and 00/100 Dollars (\$27,000,000.00). He stated other current assets included some restricted cash for the payment of debt and amounts that are due from other governments and receivables through normal operations making the total assets Thirty-Nine Point Eight Million and 00/100 Dollars (\$39,800,000.00). Regarding the deferred outflows of resources, he advised that One Point Three Million and 00/100 Dollars (\$1,300,000.00) of the One Point Five Million and 00/100 Dollars (\$1,500,000.00) related to pensions with the rest of it being deferred charges related to bonds. Under the liabilities which were Eleven Point Three Million and 00/100 Dollars (\$11,300,000.00), he stated that the current other was Eight Hundred Thousand and 00/100 Dollars (\$800,000.00); accounts payable, accrued liabilities and customer deposits in the utility funds and the long-term debt broken down is a net pension liability of Two Point Six Million and 00/100 Dollars (\$2,600,000.00) and Eight Million and 00/100 Dollars (\$8,000,000.00) which represents bonds and state revolving fund loans related to water and sewer and capital leases. Mr. Quinlin stated there was Thirty Million and 00/100 Dollars (\$30,000,000.00) of net position of which Twenty Million and 00/100 Dollars (\$20,000,000.00) is net investment in capital assets, almost Two Million and 00/100 Dollars (\$2,000,000.00) of restricted (by external sources) and unrestricted of Seven Point Seven Million and 00/100 Dollars (\$7,700,000.00).

Regarding the General Fund, he explained for 2016 there was Five Point Four Million and 00/100 Dollars (\$5,400,000.00) of revenue and transfers in, four Point Six Million and 00/100 Dollars (\$4,600,000.00) of expenditures which is an Eight Hundred Thousand and 00/100 Dollars (\$800,000.00) positive change in fund balance for the general fund that ended the year at Two Point Five Million and 00/100 Dollars (\$2,500,000.00). Regarding the Water and Sewer Fund, for 2016 there was Five Million and 00/100 Dollars (\$5,000,000.00) of revenues, Three Point Nine Million and 00/100 Dollars (\$3,900,000.00) of expenditures which is a One Point One Million and 00/100 Dollars (\$1,100,000.00) net positive change in that position and the year ended with Seventeen Point Nine Million and 00/100 dollars (\$17,900,000.00) in that position. Of the net position of the Water and Sewer Fund, Twelve Point Two Million and 00/100 Dollars (\$12,200,000.00) is invested in capital assets, Four Point Seven Million and 00/100 Dollars (\$4,700,000.00) is restricted (this was stated incorrectly and should have been "unrestricted") and approximately One Million and 00/100 Dollars (\$1,000,000.00) in restricted which is payment for debt. Regarding the Solid Waste Fund, for 2016 there was Eight Hundred Twenty Thousand and 00/100 Dollars (\$820,000.00) in revenue, Seven Hundred Eighty Thousand and 00/100 Dollars (\$780,000.00) in expenses, a Forty Thousand and 00/100 Dollar (\$40,000.00) positive change and the year ended at Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) in net position. Councilmember Coker asked him to clarify for the audience what capital assets were and Mr. Quinlin stated capital assets was the property, plant, water and sewer facilities and equipment that is over the capitalization threshold; all tangible property items that last more than one (1) year that is over One Thousand and 00/100 Dollars (\$1,000.00).

To recap the services performed, Ms. Fowler advised an audit of the City's financial statements had been performed in accordance with government auditing standards. She advised an audit was also performed of the City's major federal grant programs in accordance with the

Uniform Grant Guidance which is a federal requirement and they perform certain state compliance procedures. She then defined the terms control deficiencies, significant deficiencies and material weaknesses and ranked material weaknesses as being the highest level, significant deficiencies as being the medium and control deficiencies as being the lowest level.

Regarding the Summary of the Audit Reports, Ms. Fowler advised they had issued the City an Unmodified Opinion which could be thought of as a clean audit opinion which is as good as you can get. She stated they issued an Independent Auditors' Report on Internal Control over Financial Reporting, Compliance and other matters which is required by government auditing standards and two (2) material weaknesses were reported. She explained the two material weaknesses included 1) bank reconciliations and 2) account reconciliations and audit adjustments. Ms. Fowler advised another report they issued was the Single Audit Report which regards compliance with the major federal grant program. She stated the City had complied in all material respects, but there was one (1) area in internal control relating to suspension and debarment and explained that a procedure had not been completed. Ms. Fowler advised they also issued a Management Letter under the rules of the Auditor General and she advised control deficiencies had been found in include: 1) Continuing Education for Investments; 2) Covenant Compliance; 3) Journal Entries; and 4) Employees' Retirement Plan. She explained the Finance Director was required to have eight (8) hours of continuing education related to investments and only had (four); and while the covenant was met, there are loans that require submittal of certain documents by a required date. City Administrator Stewart clarified that the City did not fail to meet the covenant to cover the debt service for the bond, but the auditors were acquired late in the year and it will be done well ahead of time next year. Ms. Fowler then advised there was lack of review and documentation in journal entries and regarding the general employee pension plan, there was no review/approval of documentation of payments. Regarding the Independent Accountants' Report under compliance with Section 218.415 of the Florida Statutes, she advised it was their opinion that the City had complied with the investment provisions and there were no issues there. She advised the staff had been helpful, courteous and very professional to work with and while there was a late start because of the timing of the RFP process, they plan on getting it done more timely in the future. Finance Director Carsten stated it had been a pleasure working with the auditors and that she had learned a lot. Regarding the deficiency items addressed, she provided the plan to address each item. City Administrator Stewart advised that all of the items discussed were control deficiencies that had not resulted in fraud or a misstatement of our position financially or anything of that nature, but each were control issues and best practices. Ms. Fowler stated she felt the City had made great strides in just a few weeks and they were excited to see how seriously the City had taken their recommendations.

CONSENT AGENDA

Agenda Item 3 – City Council Regular Meeting Minutes for July 5, 2017

Agenda Item 4 – Special Event Permit – The Healthiest! (World Breastfeeding Week) Run/Walk – DeSoto County Health Department

Agenda Item 5 – Special Event Permit – Arcadia Main Street First Friday Event on Oak Street

Agenda Item 6 – Special Event Permit – Arcadia/DeSoto County Habitat for Humanity Hootenanny

Agenda Item 7 – Special Event Permit – 3rd Weekend Fly-In Camp-Outs – The Friends of Arcadia Airport

Councilmember Keene made a motion to approve the Consent Agenda Items 3 through 7 and Councilmember Heine seconded the motion. After a brief discussion regarding Agenda Item 5 and closure of the street, it was unanimously, 5/0, approved.

ACTION ITEMS

Agenda Item 8 – Approval for Ajax Paving to Mill and Resurface Numerous Areas on US 17 for the Amount of \$39,485.00 Due to Collapsing Sewer Lines

Utilities Director Berndt advised that Council had previously approved to have repairs done on US 17 for four hundred ten (410) lineal feet of piping. He further advised that as they worked on the piping, they discovered connections that were also bad and this was in addition to that. City Administrator Stewart stated that this was a request for approving the paving, milling and resurfacing of the areas where the work was done. He explained while Council previously approved the work necessary for getting the sewer lines repaired, this was for the patching that was necessary for the roadway. Mr. Stewart further explained this was a unit price bid based on the company, Ajax, which Council approved for the paving work to be done. He explained he had given Ajax the authority to get the work down because it had to get accomplished and Council was being asked to approve the amount. Councilmember Coker made a motion to approve City Administrator's emergency authorization of Ajax Paving to mill and resurface US 17 under our City contracted price (RFQ#2016-02 Ajax contracted pricing) for the amount of Thirty-Nine Thousand Four Hundred Eighty-Five and 00/100 Dollars (\$39,485.00) and Deputy Mayor Simons seconded the motion. No discussion followed and it was unanimously, 5/0, approved.

Agenda Item 9 – Budget Transfer for Milling and Road Resurfacing Numerous Aras on US 17 Due to Sewer Line Collapsing

Related to Agenda Item 8, Utilities Director Berndt requested a budget transfer from the water and sewer fund. City Administrator Stewart stated that while it was a utility project, the paving portion of it falls under streets and Public Works Director Underwood is responsible for the project itself, but the paving portion is paid for out of utilities. Councilmember Coker made a motion to approve City Administrator's emergency authorization of Ajax Paving to mill and resurface US 17 under our City contracted price (RFQ#2016-02 Ajax contracted pricing) for the amount of Thirty-Nine Thousand Four Hundred Eighty-Five and 00/100 Dollars (\$39,485.00) for the transfer and Councilmember Heine seconded the motion. No discussion followed and it was unanimously, 5/0, approved.

City Administrator Stewart referred to the Fifteen Thousand and 00/100 Dollar (\$15,000.00) limit that is approved by Council for the City Administrator to authorize projects.

He advised he would be proposing in the not too distant future for the amount to be raised to Twenty-Five Thousand and 00/100 Dollars (\$25,000.00). He stated that if such should be approved, in order to provide a comfort level for some period of time, staff will provide a monthly report of any time he approves something that is between the Fifteen Thousand and 00/100 Dollar (\$15,000.00) and Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) amount.

Agenda Item 10 – Vote to Adopt 2017 Tentative Millage Rate of ____

Finance Director Carsten referred to the budget workshop during which Council discussed adopting a tentative millage rate of 8.8195 which is the current year's millage rate. She advised that when this is done, they cannot go any higher than that amount, but they can go lower. She stated that approval was being sought for the amount of the maximum tentative millage rate and also for the first public hearing to be on September 7, 2017 at 5:01 p.m. Councilmember Coker made a motion to approve the tentative millage rate for 2018 of 8.8195 and to set the meeting on September 7, 2017 at 5:01 p.m. and Councilmember Heine seconded the motion. No discussion followed and it was unanimously, 5/0, approved.

COMMENTS FROM DEPARTMENTS

Lieutenant Evans asked if anyone had any questions for the Marshal and there were none. He advised that a squad car had been totaled and the insurance company was going to give Six Thousand and 00/100 Dollars (\$6,000.00) for it. He further advised the department was going to have to purchase another car so that it can be included in this budget year and Marshal Anderson would be bringing it before the Council at the next City Council meeting. He stated they would have to go ahead and order the car because it takes between six (6) and eight (8) weeks to get it. City Administrator Stewart advised the cost of the vehicle is Thirty-Five Thousand and 00/100 Dollars (\$35,000.00) which is fully equipped and outfitted and such has to be done because they are changing over from a different Ford vehicle. Regarding the funding for the vehicle, he advised Ten Thousand and 00/100 Dollars (\$10,000.00) would come from the Police Department budget, Nineteen Thousand and 00/100 Dollars (\$19,000.00) would come from the Surtax Revenue Fund (Fund 107) which can be used for this purpose, and Six Thousand and 00/100 Dollars (\$6,000.00) would come from the insurance company. It was the general consensus of the City Council for staff to proceed with placing this item on the next City Council agenda.

Regarding Senate Bill 8A (relating to medical marijuana), City Attorney Wohl advised the bill leaves municipalities and counties two (2) options: 1) to ban the dispensing facilities within its jurisdiction; or 2) allow them, but if they are allowed, the number of dispensing facilities cannot be limited nor can they be treated any different from a planning and zoning standpoint citing requirements as a pharmacy. He stated he got the impression that Council somewhat had the consensus to move forward with banning at least for the time being. He further stated that if that was the case, he could bring an ordinance for Council's consideration for first reading in the near future and Council agreed.

City Attorney Wohl then addressed a previous discussion Council had regarding the number of individuals living in one house. After reviewing the land development code, he requested that he and the City Administrator be allowed to engage the Central Florida Regional Planning Council to come up with a solution to such and Council agreed.

Finance Director Carsten reviewed the summary of funds for the period ending July 17, 2017 and she stated the revenues were at eight-seven point six percent (87.6%) and expenses were at sixty-two point seven percent (62.7%).

City Administrator Stewart passed on the staff's deep gratitude for the way the budget workshop had been performed and the questions that had Council asked. He stated that he and staff are grateful to be able to work with a Council that conducts its business in the way that it does.

Following his performance evaluation, City Administrator Stewart requested an extension of three (3) years and Council agreed. He thanked Council for the kind evaluation they gave him. He then advised he was not going to ask for a raise in dollars, but requested as an alternative similar to a differed compensation. Mr. Stewart stated that currently his ability to accrue sick leave is the same as other employees and if and when he needs the payout, it would be the same (twenty-five percent (25%) of whatever is accrued). He asked for a payout of fifty percent (50%) at the time that he leaves rather than the twenty-five percent (25%). He advised that the amount that a person gets paid when they leave has a cap of two hundred forty (240) hours. He further advised that if it was calculated out, it would be six (6) week's worth of compensation at fifty percent (50%). After further discussion, City Attorney Wohl advised he would provide a proposed amendment regarding these matters to City Administrator Stewart for his review and then bring it before Council for their consideration.

PUBLIC

Terry Risher, a City resident, had questions regarding various issues to include roads, school signs, a fire hydrant and drainage. After much discussion, City Administrator thanked her for coming to the meeting and providing the information. He addressed some of the issues and requested her contact information so that he could continue to communicate with her regarding same.

MAYOR AND COUNCIL REPORTS

Councilmember Heine had reviewed correspondence from the Charlotte Harbor National Estuary Program and stated he felt it needed to be put on a future agenda because they are asking for an increase in the City's contribution.

Mayor Wertz-Strickland advised that Sandhill Growers grows plants that are indigenous to the area. She further advised they had agreed to furnish plants to Mosaic and Mosaic had agreed to replant the park at the Tree of Knowledge. She also advised she had asked Mr. Stewart

to help her apply for a grant through the Florida League of Mayors to help cut and take the moss out of the big oak street at the park and to clean it up.

ADJOURN

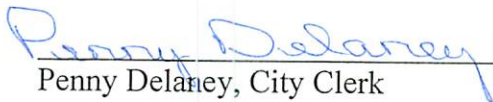
Councilmember Coker made a motion to adjourn and Deputy Mayor Simons seconded the motion. No discussion followed and it was unanimously, 5/0, approved. Having no further business at this time, the meeting was adjourned at approximately 7:35 P.M.

ADOPTED THIS 1st DAY OF August, 2017.

By:


Judy Wertz-Strickland, Mayor

ATTEST:


Penny Delaney, City Clerk

