CITY OF HOLLY HILL, FLORIDA

CITY COMMISSION

MINUTES ● APRIL 10, 2018

Large Conference Room	**Work Session**	**6:00 PM**

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448

1. CALL TO ORDER

a. Roll Call

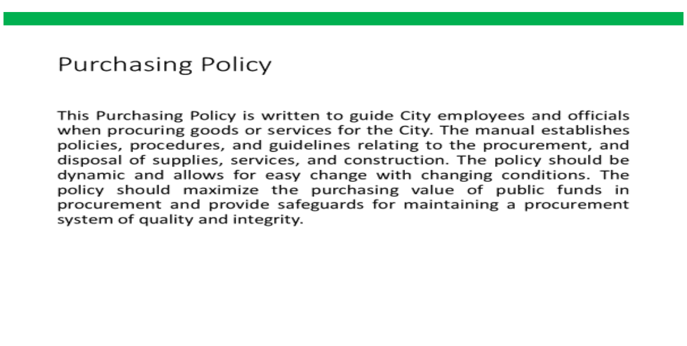
2. CONTINUED: ITEMS FOR DISCUSSION

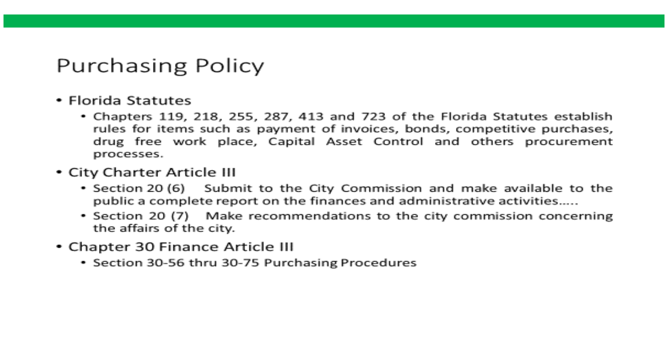
1.

Continued Workshop Items for Discussion from April 4, 2018

(Requested by Valerie Manning, City Clerk)
John McKinney, Finance Director, continued the workshop session from April 4, 2018 by showing the PowerPoint presentation to the Mayor and Commissioners on the Purchasing Policy and the Current and Future Debt Service Needs. The following slides were briefly discussed:

<u>Purchasing Policy</u>





Purchasing Policy

The Policy amends and restates the following

- Purchasing Authority
- Sole Source / Standardization
- Non-Competitive Negotiations
- Vendor Preference / Emergency Purchase Orders
- Internal Loan program of the Pooled Cash Fund for the purpose of financing capital construction projects or capital outlay expenditures.
- Requirements of Bid Specifications
- Capital Asset Tracking
- Surplus Property
- PCard Program
- Conflicts of Interest
- Procedures of Federally Funded Projects
- Procedures for Issuing Debt
- Warranty Requirements

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Purchasing Policy

Capital asset control entails tracking, compiling and maintaining an inventory of capital assets to control losses due to negligence or theft, to provide a basis for insurance claims and identify surpluses. Capital asset records are set up to comply with Florida Statute 274.

Current Capital Asset Threshold

- $1,000 for all categories

Recommend increasing per GFOA Best Practices

- $5,000 for vehicles and equipment
- $25,000 for infrastructure, buildings, building improvements and leasehold improvements
- No limit for land and land Improvements
- Useful life greater than one reporting period but not less than five years

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Purchasing Process

The Change in Capital Asset thresholds should correlate with our purchasing approval authority.

- No quotes required under $2,500
- Quotes required between $2,500 and $5,000
  - Screen shots will suffice
  - Preference given to local suppliers
- Written quotes for purchases from $5,000 to $25,000
- For all purchases over $25,000 formal solicitation

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Governmental Debt Service

Governmental Debt Service

- **Series 2012 CRA Revenue Refunding Note**
  - Debt Service
    - Principal $335.000
    - Interest $64,872
  - Outstanding $3,265,000
  - Matures 2026
- **Series 2013 CRA Revenue Note**
  - Debt Service
    - Principal $365,000
    - Interest $82,258
  - Outstanding $3,620,000
  - Matures 2026

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Enterprise Debt Service

Enterprise

- **Series 2005 Water & Waste Water Revenue Bond**
  - Debt Service
    - Principal $80,000
    - Interest $29,605
  - Outstanding$815,000
  - Matures 2026
- **Series 2011 Water & Waste Water Revenue Bond**
  - Debt Service
    - Principal $205,000
    - Interest $121,706
  - Outstanding$3,620,000
  - Matures 2031
- **Series 2012 Water & Waste Water Revenue Bond**
  - Debt Service
    - Principal $835,000
    - Interest $94,721
  - Outstanding$5,275,000
  - Matures 2023
- **Series 2013 Water & Waste Water Revenue Bond**
  - Debt Service
    - Principal $150,000
    - Interest $20,079
  - Outstanding$1,110,000
  - Matures 2021

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Enterprise Debt Service

Enterprise (Continued)

- **SRF 1998**
  - Debt Service
    - Principal $142,913
    - Interest $8,765
  - Outstanding$599,091
  - Matures 2021
- **SRF 2002**
  - Debt Service
    - Principal $309,692
    - Interest $21,962
  - Outstanding$1,969,872
  - Matures 2023
- **SRF 2005**
  - Debt Service
    - Principal $33,572
    - Interest $7,231
  - Outstanding$349,413
  - Matures 2027
- **SRF 2007**
  - Debt Service
    - Principal $258,283
    - Interest $35,489
  - Outstanding$3,335,110
  - Matures 2029

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Total Outstanding Debt Service

Governmental Funds (All CRA)	**$ 6,885,000**
Enterprise Funds	**$17,073,487**
Total Outstanding Debt	**$23,958,487**

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Potential Future Debt Service Needs

Water and Waste Water

• **Sewer Lining**	**$3,000,000**
• **SCADA System**	**$1,500,000**
• **Reclaimed Storage**	**$1,000,000**
• **Distribution**	**$3,000,000**

Stormwater

• **Land Acquisition**	**$1,000,000**
• **Drainage Improvements**	**$1,500,000**

- **Above Debt Service is paid thru utility rates**

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Mr. McKinney informed the Mayor and Commissioner that these policies will be on the April 24th City Commission agenda for their approval, along with any recommended changes they discussed this evening for the policies and the items discussed at the April 4, 2018 workshop session.

3. ADJOURNMENT

The workshop adjourned at approximately 6:55 PM.

Valerie Manning, City Clerk CMC 4/10/2018

John Penny, Mayor 4/10/2018