MINUTES

Tuesday, September 3, 2013

FORT MYERS BEACH TOWN COUNCIL
WORK SESSION
TOWN HALL – COUNCIL CHAMBERS
2523 ESTERO BOULEVARD
FORT MYERS BEACH, FLORIDA 33931

I. CALL TO ORDER

Mayor Mandel called to order the September 3, 2013 Work Session of the Town Council at 10:00 a.m. Present along with Mayor Mandel were: Vice Mayor Kosinski, Council Members Andre, List, and Raymond. Also Present: Town Manager Stewart, Town Attorney Miller, Finance Director Wicks, Acting Parks and Recreation Director Norton, and Town Clerk Mayher.

II. PLEDGE OF ALLEGIANCE

III. EVENT SPONSORSHIP

Mayor Mandel described the type of promotion a potential business may seek in exchange for sponsoring a major Town event; and noted the event sponsorship agenda item back-up information was very good; however, a more detailed proposal would be needed for certain levels of sponsorship.

Acting Parks and Recreation Director Norton acknowledged the request from the Mayor, and indicated he would prepare a proposal.

Discussion ensued regarding potential sponsors, types of promotions that could be available to sponsors, and the Draft Fort Myers Beach Parks & Recreation Sponsorship Levels & Benefits list.

Acting Parks and Recreation Director Norton indicated he would prepare a sponsorship opportunity proposal for a potential automobile dealer that would include a vehicle display (i.e. display area, length of time, etc.).

Consensus approved the Draft Fort Myers Beach Parks & Recreation Sponsorship Levels & Benefits list presented and the request to prepare a sponsorship proposal for a vehicle display (i.e. Times Square area).

IV. DISCUSSION OF OPENING UP CENTER STREET

Council Member Andre explained that he sought a discussion only to determine if opening up Center Street to Estero Boulevard was an option available to the Town.

Town Manager Stewart reviewed his discussions with some of the business owners in the Center Street Area who seemed to be very interested in the idea of opening up the street. He pointed out there might be some technical issues to overcome. He recommended that if Council were to consider the matter, before they make a final decision, the Town should contact the State to determine if they would consider it and Council may want to contemplate the use a traffic expert to determine how opening the street might impact the flow of traffic.

Discussion ensued regarding whether the State would permit opening the street; how opening the street might impact businesses on Estero Boulevard; the idea of requesting a car counter at Lynn Hall Beach Park that would indicate when the parking was full; possible advantage of opening the street for vehicles to make a right turn coming over the bridge; and possible advantage of opening the street for vehicles searching for parking.

Mayor Mandel reported that Carmen Monroy of FDOT was working to schedule a meeting in September to consider all types of traffic implications for this area.

Town Manager Stewart stated he would contact Carmen Monroy's office for some feedback on the matter of opening Center Street; and if it was determined to be feasible then he would bring back information to retain a traffic engineer for Council's discussion; and if the State questioned or objected the matter, then he would inform Council and request further discussion between Council and the FDOT office.

Consensus approved Town Manager Stewart's review of the steps he proposed in order to take on the Center Street matter.

Town Manager Stewart distributed and discussed information compiled by Planning Coordinator Overmyer regarding flood insurance and the potential impact of the Biggert-Waters NFIP Reform Act which showed that Fort Myers Beach and Lee County were disproportionately affected.

Consensus approved sending the information discussed to US Representative Radel.

Town Manager Stewart noted he would send the information to US Representative Radel and Senators Rubio and Nelson as a follow-up to the Town's Resolution and letter that was sent earlier on this matter.

Council Member Raymond requested the Town Manager also make a follow-up phone call to US Representative Radel and Senators Rubio and Nelson.

V. INVESTMENT POLICY DISCUSSION

Audit Committee Members in attendance were Jim Rodwell, Chair, and Richard Cote and Edward Lombard.

Town Manager Stewart noted the Audit Committee had worked very long and hard on their review of the Town's Investment Policy.

Jim Rodwell, Audit Committee Chair, explained how he had requested this workshop to review the comprehensive investment policy developed by the Committee and to discuss the Committee's work as it pertained to the annual audit. He explained that the Committee's objective was to create a policy that was relatively short and simple, and could be easily understood. He pointed out that the policy followed State statute and addressed liquidity, principal, and rate of return. He presented and reviewed the proposed Investment Policy (dated 6/10/13) prepared by the Audit Committee for the Town:

- Fiduciary responsibility to the taxpayers to not lose money.
- Investment in securities with limited or minimal risk factors.
- Investment advisor – not recommended.
- Utilization of the local bank(s) regarding investments.
- Development of stringent internal controls, and policy and procedures.

Discussion ensued regarding the proposed Investment Policy (dated 6/10/13) prepared by the Audit Committee; the recommendation for the development of stringent internal controls and policy/procedures; documentation of all transactions; Florida League of Cities investment trust and municipal investments; current internal controls; and current Town reserves, investments, and returns.

Vice Mayor Kosinski questioned if the Audit Committee would be involved in assisting staff to craft the internal controls and policy/procedures the Committee recommended.

Chair Rodwell stated the Committee would do so with Council's direction.

Town Manager explained that staff would draft the policies and then request the Audit Committee to review them and make any recommendations or changes.

Council consensus approved staff would draft the policies, and then have the Audit Committee review them and make any recommendations or changes.

Mayor Mandel questioned if the proposed Investment Policy (dated 6/10/13) prepared by the Audit Committee conflicted with any of the Town's current policy or Charter.

Town Manager Stewart responded in the negative.

Mayor Mandel questioned the proposed Investment Policy (dated 6/10/13) prepared by the Audit Committee and Council and Committee discussion ensued regarding:

- VI, Listing of Authorized Investment, C – "*Interest bearing time deposits and savings accounts...*"; it was determined that would include 'CDs'.

- Intergovernmental investment pools – security of investments, diversification, municipal insured government bonds, and liquidity.

Discussion was held concerning the absence of 'long-term investments' from the proposed Investment Policy; and municipal bonds.

Mayor Mandel questioned the proposed Investment Policy (dated 6/10/13) prepared by the Audit Committee, and Council and Committee discussion ensued regarding:

- VIII, Portfolio Composition – add insured municipal bonds.
- IX, Risk and Diversification – suggested adding "*with Council's approval*"; discussion ensued.

Town Manager Stewart suggested that staff could prepare written reports regarding the Town's investments.

Mayor Mandel questioned the proposed Investment Policy (dated 6/10/13) prepared by the Audit Committee and Council and Committee discussion ensued regarding:

- XII, Responsibility and Internal Controls, B – prudent investment of available cash.
- XII, Responsibility and Internal Controls, C – "*periodic basis*"; change to quarterly.
- XII, Responsibility and Internal Controls, D – add "*in the policy*" after 'transactions' in the first sentence.
- XII, Responsibility and Internal Controls, E – signatory responsibilities required on <u>any</u> movement of funds.
- XIII, Continuing Education – classes are offered through the Florida League of Cities.
- XIV, Reporting, D – Book value "cost" and market value; date of the market value.

Town Manager Stewart reviewed his concern regarding the limitation of the investment portfolio in "*limited yield high security*". He recounted his government experience with communities that used some high quality equities with limitations on what investments could be done by a community; and his views on long-term investments and investments for periods of less than 5 years. He asked Council to discuss triple 'A' rated investments.

Audit Committee Members discussed their views regarding the Town's use of triple 'A' rated investments; market forces as it pertained to securities; the Town's upcoming borrowing for the utilities project and their recommendation not to take any additional risk at this time; equity investments; and fiduciary responsibility and safety of capital.

Council Member Raymond noted his concern regarding any type of investment risk.

Discussion was held regarding the use and cost of an 'investment advisor'.

Town Manager Stewart pointed out that one of the allowed investment types was an *inter-governmental investment pool* which could have underlying equities.

Discussion ensued regarding *inter-governmental investment pools* and underlying equities.

Town Attorney Miller reported currently the Town did not limit the inter-governmental investment pools and suggested the Council may want to consider adding language that would prohibit investing in inter-governmental pools that had above a certain percentage of equities.

Discussion was held concerning the percentage limitation amount as it pertained to prohibiting investments in inter-governmental pools with equities.

Chair Rodwell recommended that the Town move forward with the proposed Investment Policy presented and noted it could be changed in the future as circumstances changed.

Town Attorney Miller stated she could add to VI, Listing of Authorized Investments, A, "provided; however, no funds that have any of their investments in equities and securities". She questioned if Council wanted to include 'bonds'.

Discussion was held concerning the inclusion of 'bonds' in the phrase noted by the Town Attorney; and municipal insured bonds.

Finance Director Wicks discussed the diversity of the Town's current inter-governmental investment pool(s).

Chair Rodwell explained that the Committee did not want to see the Town holding individual bonds.

Town Attorney Miller noted currently the Town authorized without limitation the use of inter-governmental investment pools.

Town Manager Stewart discussed the use of inter-governmental investment pools and suggested having representatives from FMIT, SBA, and Florida Safe to present information to the Audit Committee.

Council Member Andre suggested leaving VI, Listing of Authorized Investments, A, unchanged.

Town Attorney Miller reviewed the recommended changes to the proposed Investment Policy (dated 6/10/13) prepared by the Audit Committee:

- XII, Responsibility and Internal Controls, C - "*periodic basis*"; change to quarterly.
- XII, Responsibility and Internal Controls, D – add "*in the policy*" after 'transactions' in the first sentence.

Town Manager Stewart pointed out that the Audit Committee would listen to representatives from FMIT, SBA, and Florida Safe and then offer a recommendation to Council. He asked how soon Council wanted the proposed Investment Policy on a Council agenda. He explained that if the Audit Committee wanted to recommend a change to the Investment Policy after the FMIT, SBA, and Florida Safe presentations that the Committee could present it to Council.

Council consensus requested the proposed Investment Policy, with the changes noted by the Town Attorney, be added to the next regular Council meeting agenda.

Chair Rodwell recalled the Audit Committee's experience with the last audit and the financial statements. He requested that in the event of any future audit if an issue arose with the auditor, that the Committee wanted to be informed about it and they wanted to be able to resolve it.

Mayor Mandel pointed out that if an 'issue was to come up' that initially the only people who would know would be the Finance Director and the Town Manager.

Town Manager Stewart explained his belief was that the Audit Committee was requesting a copy of the 'draft' audit before it would be submitted to the Council. He added the draft audit was one of the few documents the State's public records law permitted not to be available to the public until it was presented to the Council.

Discussion was held concerning the Committee's request to be alerted if the auditor had a finding for staff to address; the release of financial statements; public records law and audits; and prior audit reports and findings.

Consensus agreed that the Town's auditor would inform the Town Manager and Finance Director of any 'issue or problem'; staff would have the opportunity to respond to the auditor; and if the auditor was not satisfied then the Audit Committee would be informed of the issue.

Mayor Mandel reported Senator Benaquisto would be coming to Fort Myers Beach on Thursday, September 5th at the Pink Shell Resort at 11:30 a.m. in reaction to the prior media coverage of the Lake Okeechobee water releases.

Town Manager Stewart distributed mock-ups of fact sheets for mandatory recycling, commercial project permits, and zoning approvals.

VI. COUNCIL MEMBERS ITEMS

Council Member Andre – no items.

Council Member Raymond – no items.

Council Member List – no items.

Vice Mayor Kosinski – no items.

Mayor Mandel – questioned if there was a DRA budget for tonight's agenda packet; and noted that the discussion item of the 'beach parking proposal' on tonight's agenda mentioned a 5% increase over last year. He requested information on what were the new services and what was the real increase over last year. He asked, given the beach water quality, did the Council want to consider keeping the pool open every day. He asked if there was a video of the pool and the water slide, and if so, could the video be attached to the Town website and the VCB website.

Town Manager Stewart reported the Town did not have a video; however, they could create one and attached it to the websites.

Council Member Andre reported he obtained a corporate membership to the pool. He recounted working on his own business website to include photographs of Town facilities (i.e. BORC), and suggested staff create a 'web media package' to offer businesses who purchase a corporate membership.

Town Manager Stewart reported the County was preparing to bring forward a revision to the County-wide towing ordinance, and that the County had requested the Town adopt the County ordinance by reference. He recommended the Council adopt the County ordinance as requested. He stated he would forward to Council the proposed County-wide towing ordinance via email.

VII. ADJOURNMENT

Meeting adjourned at 11:50 a.m.

Adopted 10-7-13 With/Without changes. Motion by Dick Andre

Vote: 5-0

Michelle D. Mayher, Town Clerk

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