

TOWN OF GRANT-VALKARIA, FLORIDA  
TOWN COUNCIL SPECIAL MEETING  
MINUTES OF WEDNESDAY, MAY 6, 2009  
TOWN HALL BUILDING, 5120 HIGHWAY US1, GRANT VALKARIA, FL 32949

The Town Council Special Meeting of the Town of Grant-Valkaria, Florida, of Wednesday, May 6, 2009 was called to order at 7:07 p.m. by Mayor Del Yonts followed by the Pledge of Allegiance led by Council Member Bryan, and roll call to the Council Members with the following present:

Mayor – Del Yonts	Town Administrator Richard Hood
Seat No. 1 – Joe Hackford	Town Clerk Susanne Krueger
Seat No. 2 – Lisette Kolar	
Seat No. 3 – Pat Bryan	
Seat No. 4 – Jason Mahaney, Vice Mayor	
Seat No. 5 – Dan Faden	
Seat No. 6 – Cathy DeMott	

Council Member Kolar stated that she received email regarding a meeting on May 4th on the Aquifer Recovery Storage forum presented by the City of Rockledge, that she will be obtaining a DVD on this forum if the Council wishes to watch it, and that the City of Rockledge will be highlighting part of this forum on their website.

AGENDA ITEMS

- 1) Acceptance Of Fiscal Year 2007/2008 Audit By Berman, Hopkins, Wright And LaHamm CPAs And Associates, LLP (Hood)

Town Administrator Hood stated that Mr. Ross Whitley, and Ms. Heather Christmas from Berman, Hopkins, Wright and LaHamm, CPAs and Associates, LLP are in attendance and will be presenting the audit to Council. Mr. Whitley explained that in governmental accounting it is required to submit two sets of annual financial statements one as a full accrual method and one as a modified accrual method and he proceeded to give a brief overview of the audit as follows:

- page one - in the independent auditor report there is mention of prior period adjustments regarding infrastructures (roads and rights-of-ways), and that needed to be recorded as fair market value
- page three - in management discussion analysis staff gave all information in financial statements
- page eight - in the first financial statement in full accrual method there is an infrastructure asset of \$104,295,000.00, \$450,000.00 cash equivalent, \$51,000.00 in liability, \$104,764,000.00 in net assets, and \$88,000.00 in restricted fund for drainage; there is a change of \$2.5 million in net assets related to depreciation
- page nine - it listed \$571,000.00 in general fund, \$140,000.00 in liability, \$378,000.00 in fund balance, and \$88,000.00 in stormwater receivables
- page eleven - showed reconciliation of net assets of modified accrual to full accrual
- page twelve - statement of revenue and expenses in modified accrual
- page twenty-four - required statement of budget to actual, sixty days after end of fiscal year town can amend budget

- page twenty-seven - required reports
- page twenty-nine - management letter, and rules of the Auditor General that needs to be addressed
- page thirty-one - management comments and findings
- page thirty-one through thirty-three - three comments in 2007 addressed and not repeated
- page thirty-four - two comments in 2007 that were repeated are policy and procedures manual was not approved, and segregation of duties; third party entries needs to be reviewed; it was acknowledged by Mr. Whitley that with only two full-time employees it is hard to segregate duties and Mr. Hood stated that they currently have a third party enter checks and they are reviewed each time.
- page thirty-five - relates to donation of infrastructure; when contractors donate infrastructures they need to have a system in place where they get recorded in financial records
- last page - shows Town Administrator Hood's response

Town Administrator Hood stated that a financial procedures manual will come before Council before the end of the fiscal year. Ms. Christmas stated that during the audit process they have to look for any significant audit findings, how cash is recorded, any policies that are in place, if there are any difficulties encountered during the audit process, corrected/uncorrected misstatements, disagreement with management, management representations letter, management consultation with others, and financial issues.

Motions by Council Member Kolar, second by Council Member Bryan, and vote unanimous to accept the audit as presented by Berman, Hopkins, Wright and LaHamm CPAs and Associates, LLP for year ended September 30, 2008.

## 2) Discussion Of Budget Preparation For Fiscal Year 2009/2010 (Hood)

Town Administrator Hood stated that we are 58% into the budget year as of the end of April 2008. He stated that although we have collected 72.3% of the budgeted revenue it is because most of the ad valorem taxes that we will collect for this fiscal year have already been received. The total expenditures are at 41.6% of the budgeted expenditures; however, due to the mowing and ditch cleaning schedules this number appears low. He also stated that budget amendments are not required unless there is a change in the expenditures, if expenditures are out of line we need to amend the budget. If you need to take money out of reserves to increase revenues you do not have to amend the budget.

Mr. Hood requested Council input regarding the new budget goals and he stated that the fiscal picture is not any brighter for next year. He stated that he anticipated it would be three to five years before the Council could purchase a town hall. Purchasing our own place now would deplete reserves and we need to keep the reserves in case we have a catastrophe. Mayor Yonts stated he would like to keep building the reserve fund. He was concerned about credit rating; if we borrowed some money now would this put this into a different, lower rating; some town piggyback on another town; if we need money for an emergency can we get it; does gas tax money need to be separated out. Mr. Hood responded that it does not need to be separated out but it does need to be spent on specific items only and tracked separately. Mr. Hood stated that he contacted Mr. Denninghoff of Brevard County who said unpaved roads are cheaper to

maintain than paved. Council Member Kolar asked if ditch cleaning can be done more often. Mr. Hood responded that there is a specific amount budgeted, that it was not cheap to get done, that he had a spraying contractor come in to spray a one mile section of ditch along Grant Road and Vally Road for a cost of \$650.00 and that it cost \$1.92 linear foot to clean it. It was Council consensus to stay on the track that Mr. Hood is on. Council Member Bryan stated that the mower did a lot better job this time than the previous time. Mayor Yonts requested that the culverts be repaired rather than replaced. Mr. Hood stated that the town can slip line metal pipes with plastic pipes and that due to the audit he has done an extensive look at the culverts which resulted in about one-half dozen areas that he is watching. Council Member Kolar inquired if there is anything that the town could do to educate some businesses on US1 that wanted water and sewer. Mr. Hood responded that a self supporting fund could be created using monthly bills to pay for the operation and if we had enough houses in the area it could be possible. Mr. Hood stated that the land development regulations will be presented to Council with the Local Planning Agency changes.

Mr. Hood stated that on Monday CDM Trucking will start ditch cleaning on Berry Road and Brabrook Avenue.

Royce Stifflemire informed Council that the coordinator wants to move the Citizens On Patrol (COP) vehicle to his home. It was Council consensus that the COP vehicle stay parked at Town Hall.

Council Member Kolar inquired if the town wants to attract jobs or industry or do we want a bedroom community, should we look for grants for the small hotels, or is there something that we might want to pursue. Mayor Yonts responded that the town should make it easier for home-based businesses rather than big businesses. Mr. Hood stated that the zoning codes are where the town can put the overall image of the town, we do not have the land area but it can become a return to the "old Florida" area, and that the concept is great but we do not have staff time to handle a lot. Allen Webb stated that he is not against promoting businesses but they need to contribute to the town through a business tax receipt and that he moved here for the bedroom community.

Mr. Hood stated that he will be out of the office tomorrow.

Mayor Yonts stated for the record that he received the CD and letter from Mr. Curt Lorenc and that he gave it to staff for their copy.

Motions by Council Member Hackford, second by Council Member Bryan, and vote unanimous to adjourn the meeting at 9:00 p.m.

(signature on file)

ATTEST:

\_\_\_\_\_  
Del Yonts, Mayor

(signature on file)

\_\_\_\_\_  
Susanne Krueger, Town Clerk