

**SEACOAST UTILITY AUTHORITY
REGULAR MEETING**

February 22, 2023

MINUTES

CALL TO ORDER: 3:00 PM

PLEDGE OF ALLEGIANCE TO THE FLAG

ROLL CALL:

PRESENT: Ron Ferris, Chair
Robert Weisman, Vice Chair
Joseph Lo Bello, Member
Karen Marcus, Member

ALSO PRESENT: Nat Nason, General Counsel
Rim Bishop, Executive Director
Jessica Moore, Authority Clerk

ABSENT: John D'Agostino, President Pro-Tem

COMMENTS FROM THE PUBLIC

There were no comments from the public.

*****DETERMINED THE CONSENT AGENDA*****

APPROVAL OF AGENDA

Considered a motion to approve the agenda.

APPROVAL OF MINUTES FOR MEETING OF JANUARY 25, 2023

Considered motion to approve the minutes for the meeting of January 25, 2023.

AGREEMENTS

A. DEVELOPER AGREEMENTS

1. Alton Medical Center

Considered a motion to approve execution of developer agreement for the project known as Alton Medical Center, as recommended by staff.

RESOLUTION NO. 1-2023 - REPEAL OF ADMINISTRATIVE PROCEDURE AP/89-02; AMENDMENT TO SEACOAST UTILITY AUTHORITY ADMINISTRATIVE PROCEDURE AP/89-03, PROCUREMENT POLICY

Considered a motion to approve Resolution No. 1-2023 - Repeal of Administrative Procedure AP/89-02; Amendment to Seacoast Utility Authority Administrative Procedure AP/89-03, Procurement Policy, as recommended by staff.

PARTIAL RELEASE OF TWO EASEMENTS – ALTON MEDICAL CENTER

Considered a motion to approve partial release of two easements – Alton Medical Center, as recommended by staff.

PROCLAMATION NO. 1-2023, PROCLAIMING THE WEEK OF MARCH 20th TO MARCH 24th, 2023, GOVERNMENT FINANCE PROFESSIONALS’ WEEK

Considered a motion to approve Proclamation No. 1-2023, proclaiming the Week of March 20th to March 24th, 2022, Government Finance Professionals’ Week, as recommended by staff.

MOTION

Board Members Weisman/Marcus moved to approve the consent agenda, as recommended by staff.

The motion carried unanimously.

*****ENDED CONSENT AGENDA*****

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) – FISCAL YEAR 2022/2021

Daniel Anderson with Mauldin & Jenkins summarized the presentation in Exhibit “A”.

MOTION

Board Members Marcus/Weisman moved to receive and file Fiscal Year 2022/2021 Annual Financial Report, as recommended by staff.

The motion carried unanimously.

DESIGN BUILD AUTHORIZATION – JUNO ISLES WEST (PHASE 2) WATER MAIN AND LOW-PRESSURE FORCE MAIN IMPROVEMENTS

MOTION

Board Members Weisman/Lo Bello moved to authorize staff to issue Design Build Authorization – Juno Isles (Phase 2) Water Main and Low-Pressure Force Main Improvements, and appoint Board Member Bob Weisman, Engineering Department Manager Scott Serra, P.E. and Executive Director Rim Bishop to serve as the RFP Review Committee, as recommended by staff.

The motion carried unanimously.

ANNUAL PERFORMANCE EVALUATION EXECUTIVE DIRECTOR

Board Chair Ron Ferris stated he has worked with the Authority for many years and he does not believe there could be a better person for the position than Executive Director Rim Bishop.

He continued that today's labor and materials markets present unprecedented management workforce and capital improvements program challenges. He believes the employees of the Authority are well taken care of with salaries and benefits and it would be very difficult to replace Mr. Bishop if he were to retire, and he believes that Mr. Bishop deserves the best salary that the Authority can afford to give him. Mr. Ferris believes that he is deserving of a 3% merit increase, a 3% lump sum payment, and a 6.5% cost-of-living adjustment (COLA).

Board Member Joe Lo Bello indicated that this increase is quite substantial and as a tenured employee, he could possibly be maxed out on his salary, although giving him the COLA would not technically be an increase, as this is an increase based on inflation.

Vice Chair Bob Weisman indicated he would like to keep the increase under 10% and recommends a 6.5% COLA in addition to a lump-sum payment of 3%.

MOTION

Board Members Weisman/Lo Bello moved to authorize a 6.5% base salary increase and 3% lump sum payment for Executive Director Rim Bishop.

The motion carried unanimously.

Executive Director Rim Bishop thanked the board for their comments and acknowledged that the Authority is a great place to work because of its board and employees.

COMMENTS FROM THE BOARD

There were no comments from the board.

STAFF REPORT

Executive Director Rim Bishop stated the engineer's report and the financial report were in the packet. Chief Operations Officer Brandon Selle was present for any engineer report questions. Chief Financial Officer Daniela Russell was present for any financial report questions.

ADJOURNMENT

There being no further business to come before the board, Chair Ron Ferris adjourned the meeting at approximately 3:16 PM.

APPROVAL:

RON FERRIS, CHAIR

ROBERT WEISMAN, VICE-CHAIR

JOHN D'AGOSTINO, PRESIDENT PRO-TEM

JOSEPH LO BELLO, MEMBER

KAREN MARCUS, MEMBER

ATTEST:

JESSICA MOORE, AUTHORITY CLERK

Exhibit "A"



Seacoast Utility Authority
Presentation of 2022 Audit Results

**Financial Statements, Reports
and Other Deliverables**



**Presented by:
Daniel Anderson, CPA**





Agenda

- Who is Mauldin & Jenkins?
- Overview of the Audit Opinion
- Required Communications under *Government Auditing Standards*
- Accounting recommendations and related matters.
- Questions



Who is M&J?

- Large Regional Firm – serving governments throughout the Southeast since 1918
- Nationally recognized in the top 100 public accounting firms in the US by *Inside Public Accounting* and *Accounting Today*
- Approximately 700 governments served, including approx. 60 stand alone business type entities – over 120 clients served who receive GFOA's Certificate of Achievement for Excellence in Financial Reporting annually.
- 25 partners and managers – 100% governmental and over 120 professionals with current governmental experience.
- Dedicated to the Profession and Governmental Accounting – M&J professionals teach at various national and state conferences



Overview of the Audit Opinion

1. We have issued an unmodified opinion. This is the highest form of assurance we can render with regard to the fairness of the financial statements on which we are opining.
2. The quality of financial reporting is the responsibility and representation of SUA's management and Board.
3. Management is responsible for the preparation and fair presentation of the financial statements.
4. We performed the audit of SUA's financial statements in accordance with auditing standards generally accepted in the US and *Government Auditing Standards* issued by the Comptroller General of the US.
5. The financial statements are considered to present fairly in all material respects the financial position and results of operations of the Seacoast Utility as of and for the year ended September 30, 2022.



Required Communications

- Accounting policies, management judgements, accounting estimates, and financial statement disclosures are the responsibility of management
- No significant difficulties encountered or issues discussed with management
- No auditor proposed adjustments, no uncorrected misstatements and no disagreements with management
- Representation from management
- We are independent with respect to the Seacoast Utility Authority



Financial Information

Statement of Revenues, Expenses, and Change in Net Position
(Condensed)

	FY2022	FY2021	%	FY2020	%
Operating revenues:					
Charges for services	\$ 64,750,202	\$ 61,098,915	6.0	\$ 59,354,778	2.9
Miscellaneous	965,445	817,787	18.1	300,661	172.0
Total operating revenues	\$ 65,715,647	\$ 61,916,702	6.1	\$ 59,655,439	3.8
Operating expenses:					
Plant operation and maintenance	\$ 26,543,136	\$ 20,092,742	32.1	\$ 18,774,759	7.0
General and administrative	7,266,897	10,057,296	(27.7)	9,341,138	7.7
Depreciation	20,821,271	19,873,611	4.8	19,104,598	4.0
Total operating expenses	\$ 54,631,304	\$ 50,023,649	9.2	\$ 47,220,495	5.9
Nonoperating revenues:					
Interest income	\$ 892,780	\$ 1,019,192	(12.4)	\$ 1,918,035	(46.9)
Net increase (decrease) in FMV	(5,485,946)	(707,859)	675.0	795,908	(188.9)
Grant revenue	64,463	4,472	1341.5	339,096	(98.7)
Other revenue	305,930	552,798	(44.7)	301,501	83.3
Bond rebate			0.0	585,862	(100.0)
Total nonoperating revenues	\$ (4,222,773)	\$ 868,603	(586.2)	\$ 3,940,402	(78.0)
Nonoperating expenses:					
Interest expense	\$ 1,404,013	\$ 1,120,126	25.3	\$ 3,284,780	(65.9)
Amortization	(968,647)	(1,301,953)	(25.6)	(1,017,945)	27.9
Other expense	286,321	1,280,604	(77.6)	583,262	119.6
Total nonoperating expenses	\$ 721,687	\$ 1,098,777	(34.3)	\$ 2,850,097	(61.4)
Income (loss) before capital contributions	\$ 6,139,883	\$ 11,662,879	(47.4)	\$ 13,525,249.0	(13.8)
Capital contributions:					
Developer and other contributions	\$ 6,592,321	\$ 5,511,322	19.6	\$ 10,423,687	(47.1)
Change in net position	\$ 12,732,204	\$ 17,174,201	(25.9)	\$ 23,948,936	(28.3)
Net Position, beginning of year	\$ 341,243,259	\$ 324,069,058	5.3	\$ 300,120,122	8.0
Net Position, end of year	\$ 353,975,463	\$ 341,243,259	3.7	\$ 324,069,058	5.3



Recommendation for Improvement and Other Matters

- No audit findings
- GASB 92 through 101 become effective over the next 5 years
- Free CPE opportunities offered to SUA employees



Questions?

If you ever have any additional questions we can be reached at the following:

Daniel Anderson
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941-747-4483

We appreciate the opportunity to serve the Seacoast Utility Authority and look forward to serving you in the future. Thank you!!