

TIFA

APRIL 22, 2021

TIFA LLC MEETING AGENDA
April 22, 2021
11:00 a.m.
MEETING LOCATION
CITY OF TITUSVILLE
WATER RESOURCES
2836 GARDEN STREET – TITUSVILLE, FLORIDA

Roll Call

Action Items

- I. Approval of the Minutes of the TIFA LLC Meeting March 25, 2021 and March 30, 2021 (Presenter: James Perry)

Financial Items and Reports

- II. Ratification of Expenses Paid from Operating Account and Request for Reimbursement (Presenter: James Perry)
- III. Presentation of First Quarter Financial Statements (Presenter: Pat Gagliardi)
- IV. Consideration of Capital Distribution Notice (Presenter: Pat Gagliardi)

Staff Reports / Informational Items

- V. Annual Meter Testing

Other Business

Public Comment

Next Scheduled Meeting

Open Items

Adjournment

FIRST ORDER OF BUSINESS

Date: April 22, 2021

To: TIFA LLC Management Committee

From: Sarah Sweeting, GMS, LLC

Subject: Approval of Minutes – March 25, 2021 & March 30, 2021 TIFA LLC Meeting

Summary Explanation & Background: The draft minutes of the March 25, 2021 & March 30, 2021 TIFA LLC meeting were previously circulated for review. The minutes of the TIFA LLC meeting are presented for review and approval. Since the draft minutes were circulated, on April 2, 2021. As of April 16, 2021, no comments were received from the City of Titusville or Farmton Water Resources / Miami Corporation. No other comments have been received.

Source of Funds: This action requires no funds.

Minutes of TIFA LLC Meeting
March 25, 2021
11:00 a.m.
City of Titusville Water Resources
Mourning Dove Water Plant
2836 Garden Street
Titusville, Florida

Persons in Attendance

Mike Brown, Miami Corporation, TIFA Management Committee Member
Jim Ball, City of Titusville, TIFA Management Committee Member
Sean Stauffer, City of Titusville, Water Resources Director
Richard Broome, City of Titusville, City Attorney
Helen Hutchins, Farnton Water Resources (by telephone)
Pat Gagliardi, Farnton Water Resources (by telephone)
Jim Perry, GMS LLC

Jim Perry conducted the meeting.

Roll Call

Action Items

I. Approval of the Minutes of the TIFA LLC Meeting of February 25, 2021

Member Ball moved to approve the February 25, 2021 meeting minutes as presented. Member Brown concurred and the motion passed.

Financial Items and Reports

II. Ratification of Expenses Paid from Operating Account and Request for Reimbursement (Presenter: James Perry)

Member Ball moved to ratify the expenses paid from the operating account and request for reimbursement in the amount of \$11,345.73. Member Brown concurred and the motion passed.

Staff Reports/Informational Items

III. Discussion of Insurance Options

Ms. Hutchins stated, the general liability policy premium is based on revenue. The rate per \$1,000 revenue is the industry rate for our type of industry based on our revenue and they apply that rate into our revenue and that is how they come up with the premium. The dollar amount of revenue was down year to year but the overall rate was up and the percentages provided based on the expiring change that tells you the difference between this year and last.

It is an overall 8% increase, we budgeted for a 10% increase so we have a budget available for this \$14,400 and we come in just below that. This is consistent with what I have seen in the general market.

Member Brown asked was it possible to negotiate the amount of deductible a little higher to drop that annual rate?

Mr. Hutchins stated, altering the deductible doesn't change the premium because the rate is based on revenue and the deductible doesn't change the premium.

Member Ball moved to approve the insurance renewal program for general liability. Member Brown concurred and the motion passed.

Ms. Hutchins stated, the other piece that I do not have a quote on yet is the property policy. The way the property policy is structured in the markets we have to go to for insurance, it is insured through Lloyds of London and they aggregate on our behalf a series of insurers to insure us up to the dollar amount we are requesting. As of this morning they only had 87.5% of the capacity confirmed. We should have capacity confirmed by the end of the day today and then I will have information on the premium.

I will ask that the managers continue this meeting until early next week once we have the information from the insurers so that you approve binding of the property policy based on the information we receive.

Other Business

Public Comment

Next Scheduled Meeting

Open Items

Adjournment

Member Ball moved to continue the meeting to March 30, 2021 at 11:00 a.m. Member Brown concurred and the motion passed.

Minutes of TIFA LLC Continued Meeting
March 30, 2021
11:00 a.m.
City of Titusville Water Resources
Mourning Dove Water Plant
2836 Garden Street
Titusville, Florida

Persons in Attendance

Mike Brown, Miami Corporation, TIFA Management Committee Member
Jim Ball, City of Titusville, TIFA Management Committee Member
Sean Stauffer, City of Titusville, Water Resources Director
Richard Broome, City of Titusville, City Attorney
Andrew Jantzer, City of Titusville, Water Resources Deputy Director by telephone
Pat Gagliardi, Farmton Water Resources (by telephone)
Helen Hutchins, Farmton Water Resources (by telephone)
Jim Perry, GMS LLC

Jim Perry conducted the meeting.

Roll Call

Staff Reports/Informational Items

I. Discussion of Insurance Options

Ms. Hutchins stated, at the last meeting the managers provided me with instructions to bind the general liability policy that we had obtained a renewal quote on. I completed the binding process, and the general liability policy is in place for TIFA.

We did not have an insurance quote yet on the property insurance and I finally received the property insurance quote yesterday. The managers requested that I obtain a quote on the full value of the wellfields at \$7 million with a \$100,000 deductible and an above ground only assets, which we determined was roughly \$3.8 with \$100,000 deductible. I provided both scenarios to Marsh our marketer and they marketed it to the various carriers they have access to.

Out of five carriers only one provided a quote, and that is the current carrier. At the same time I went back and forth with Anthony Morales of Brown and Brown Insurance who has been researching additional markets to look for places to put the property coverage and as of yesterday he had not been able to identify any carriers willing to entertain the risk.

They had a minimum premium requirement regardless of value of asset, a 70% increase year over year, multiple insurers will cover the risk, 87 ½% of the risk is covered in one layer and their minimum premium is \$55,000, the other 12 ½% their minimum premium was \$133,000 so it is another \$16,000 to get to the total \$55,000 premium.

We can elect to self-insure the property risk and discontinue the property policy and the managers would direct staff to calculate an appropriate self-insurance reserve and fund the reserve. Our current level of reserves for the entity is \$300,000 with the property insurance in place and that number was arrived at with the assumption that it was the cost to replace one well should it go down. I do not know what the process would be for the city to agree to that scenario. The other scenario would be to go ahead with the property policy, agree to pay the premium and if we do that we are over budget and would require a budget amendment to be done. Based on the calculation that I did it would increase the water rate from \$1.11 per thousand gallons to \$1.13 per thousand gallons. Either situation will require action by the board followed by an action most likely of city counsel and a concurrence by Farmton Water.

The managers and staff discussed the steps needed to self-insure, the amount of reserves to be able to do that along with the process of amending the management agreement that is in place and with the existing policy lapsing in a few days the members took the following action.

Member Brown moved to authorize staff to bind the property insurance policy for the increased premium of \$72,260 and begin work on self-insurance immediately thereafter. Member Ball concurred and the motion passed.

The managers and staff discussed doing a mid-year budget amendment and water rate amendment if required and to bring a funding solution of that budget amendment to the July meeting.

Other Business

Public Comment

Next Scheduled Meeting

The next meeting will be held April 22, 2021 at 11:00 a.m.

Open Items

Adjournment

Member Ball moved to adjourn the meeting at 12:23 p.m. Member Brown concurred and the meeting adjourned.

SECOND ORDER OF BUSINESS

TIFA LLC
INVOICE APPROVAL BY MANAGERS

WHEREAS, the undersigned are the duly appointed and acting Managers of TIFA LLC, which operates pursuant to that certain Limited Liability Company Operating Agreement of TIFA LLC dated May 24, 2010 (“Operating Agreement”); and,

WHEREAS, at a duly called and noticed public meeting of the Managers as indicated below, the undersigned approved the contract and/or authorized the expenditure as indicated below, and further authorized the managers to execute the Invoice Approval by Managers form reflecting such authorized expenditures in order to process payments.

Previous Authorizations

TIFA Meeting Date	Approved	Total Contract or Expenditure Authorized
04/22/2021	Imprest Account Reimbursement from Depository Account	See Attached

NOW, THEREFORE, the Managers of TIFA LLC, based upon the previous TIFA authorizations, approve the following payments:

Invoice Description	Total Amount	Pursuant to Previous TIFA Authorization Date	Invoice Payment
Transfer to imprest account at Northern Trust ending *8866	\$15,660.12*	04/22/2021	To be Paid by TIFA upon this approval

* Additional \$10,000 request to cover May expenses

Except as otherwise set forth herein, defined terms shall have the meaning set forth in the Operating Agreement. This Action may be executed in several counterparts, and all counterparts so executed shall constitute one Approval binding on all parties.

IN WITNESS WHEREOF, the undersigned represent and warrant that each is the duly authorized and appointed agent of TIFA LLC.

Mike Brown, Manager

Date: _____, 2021

Jim Ball, Manager

Date: _____, 2021

TIFA LLC
Check Detail
 March 18 through April 15, 2021

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Bill Pmt -Check	ACH04142021	04/14/2021	Florida Power & Li...		103.00 · Cash- Nort...		-5,660.12
Bill	18790-42503Apr21	04/01/2021			511.00 · Utilities	-648.69	648.69
Bill	32610-23505Apr21	04/01/2021			511.00 · Utilities	-613.01	613.01
Bill	54996-25506Apr21	04/01/2021			511.00 · Utilities	-419.33	419.33
Bill	74008-14500Apr21	04/01/2021			511.00 · Utilities	-500.64	500.64
Bill	76646-91016Apr21	04/01/2021			511.00 · Utilities	-450.89	450.89
Bill	75317-43016Apr21	04/01/2021			511.00 · Utilities	-489.57	489.57
Bill	54213-71161Apr21	04/01/2021			511.00 · Utilities	-285.38	285.38
Bill	47893-42013Apr21	04/01/2021			511.00 · Utilities	-469.58	469.58
Bill	11526-54016Apr21	04/01/2021			511.00 · Utilities	-259.61	259.61
Bill	83665-19117Apr21	04/01/2021			511.00 · Utilities	-257.50	257.50
Bill	73681-17557Apr21	04/01/2021			511.00 · Utilities	-257.93	257.93
Bill	62400-69564Apr21	04/01/2021			511.00 · Utilities	-254.74	254.74
Bill	40983-63494Apr21	04/01/2021			511.00 · Utilities	-245.66	245.66
Bill	24869-01248Apr21	04/01/2021			511.00 · Utilities	-260.13	260.13
Bill	09060-50505Apr21	04/01/2021			511.00 · Utilities	-247.46	247.46
TOTAL						-5,660.12	5,660.12

THIRD ORDER OF BUSINESS

TIFA LLC
Balance Sheet
As of March 31, 2021

	Mar 31, 21
ASSETS	
Current Assets	
Checking/Savings	
102.00 · Cash-Northern Trust Company	521,635.49
103.00 · Cash- Northern Trust Operating	25,000.00
Total Checking/Savings	546,635.49
Accounts Receivable	
104.00 · Accounts Receivable	101,324.13
Total Accounts Receivable	101,324.13
Total Current Assets	647,959.62
Other Assets	
110.00 · Consumptive Use Permit	1,981,386.49
110.50 · CUP Accumulated Amortization	-846,217.20
115.00 · FPL Fee	871,451.54
115.50 · FPL Fee Accumulated Amort.	-205,765.80
120.00 · Easements	333,883.45
125.00 · Mitigation Credit	139,200.00
130.00 · Monitoring Wells	488,188.61
130.50 · A/D Monitoring Wells	-125,852.18
135.00 · Area IV Wellfield Phase 1	1,814,563.28
135.50 · A/D - Wellfield Phase 1	-507,076.22
140.00 · Area IV Wellfield Phase 2	5,069,052.98
140.50 · A/D - Wellfield Phase 2	-911,403.75
145.00 · Area IV Equipment	6,162.34
145.50 · A/D - Area IV Equipment	-1,437.94
150.00 · Wellfield Assets-Inactive	164,932.50
Total Other Assets	8,271,068.10
TOTAL ASSETS	8,919,027.72
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
201.01 · A/P Trade	2,308.33
Total Accounts Payable	2,308.33
Total Current Liabilities	2,308.33
Total Liabilities	2,308.33
Equity	
301.00 · Contributed Capital - City	2,997,405.54
302.00 · Contributed Capital - Farmton	2,997,405.55
303.00 · Member's Equity	2,799,372.70
Net Income	122,535.60
Total Equity	8,916,719.39
TOTAL LIABILITIES & EQUITY	8,919,027.72

TIFA LLC
Profit & Loss Budget vs. Actual
January through March 2021

	Jan - Mar 21	Budget	\$ Over Budget
Income			
401.00 · Water Sales	278,232.60	278,338.98	-106.38
402.00 · Interest / Dividends	6.30	6.27	0.03
Total Income	<u>278,238.90</u>	<u>278,345.25</u>	<u>-106.35</u>
Gross Profit	<u>278,238.90</u>	<u>278,345.25</u>	<u>-106.35</u>
Expense			
501.00 · O&M Operating Agreement	6,924.99	8,125.02	-1,200.03
501.50 · O&M Parts & Labor	0.00	7,900.02	-7,900.02
502.01 · Consulting	0.00	250.02	-250.02
502.02 · Accounting	15,000.00	4,375.02	10,624.98
502.03 · Legal	0.00	1,249.98	-1,249.98
502.04 · Hydrogeological Services	0.00	1,875.00	-1,875.00
503.00 · Managing Agent Fees	6,500.01	6,499.98	0.03
504.00 · Insurance (P&C / Liability)	13,866.99	14,904.27	-1,037.28
505.00 · Miscellaneous Expense	170.32	124.98	45.34
506.00 · Depreciation Wellfield	61,431.69	61,431.75	-0.06
506.10 · Depreciation Equipment	308.13	307.98	0.15
507.00 · CUP Amortization	24,767.34	24,767.25	0.09
507.10 · FPL Amortization	7,262.10	7,261.98	0.12
508.00 · Wetland Monitoring Expense	3,488.99	1,125.00	2,363.99
511.00 · Utilities	15,982.74	16,225.02	-242.28
550.03 · Tangible Personal Property	0.00	5,400.00	-5,400.00
Total Expense	<u>155,703.30</u>	<u>161,823.27</u>	<u>-6,119.97</u>
Net Income	<u><u>122,535.60</u></u>	<u><u>116,521.98</u></u>	<u><u>6,013.62</u></u>

FOURTH ORDER OF BUSINESS

**TIFA LLC
2836 GARDEN STREET
TITUSVILLE, FLORIDA 32796**

April 22, 2021

Mr. Sean Stauffer
Water Resources Director
City of Titusville
2836 Garden Street
Titusville, Florida 32796

Mr. David Fuechtman
Vice President & Secretary
Farmton Water Resources, LLC
410 N. Michigan Avenue Suite
590
Chicago, Illinois 60611

CAPITAL DISTRIBUTION NOTICE

Pursuant to the TIFA LLC Operating Agreement Section 4.1 Distribution of Distributable Cash, a cash distribution from TIFA LLC is requested today in the amount of \$220,000.00 (\$110,000.00 to the City of Titusville and \$110,000.00 to Farmton Water Resources, LLC). Payment is to be made from the TIFA LLC Northern Trust main checking account within 30 days of receipt of this capital distribution notice.

Sincerely,

TIFA LLC

Jim Ball
Manager

Michael A. Brown
Manager

TIFA LLC**Member Distributions**

	<u>3/31/21</u>
Cash Balance	\$ 529,135.49
Expected Cash Needs	
No unbudgeted items	-
Maintenance Cash Balance	<u>(300,000.00)</u>
Distributable Cash	<u><u>\$ 229,135.49</u></u>
Recommended Distribution	\$ 220,000.00
To City of Titusville	\$ 110,000.00
To Farmton Water Resources LLC	\$ 110,000.00

2021 Distributions

	FWR	City	Total
Budgeted	\$ 420,000	\$ 420,000	\$ 840,000
3/31/21	\$ 110,000	\$ 110,000	\$ 220,000
Total	\$ 110,000	\$ 110,000	\$ 220,000

2020 Distributions

	FWR	City	Total
Budgeted	\$ 415,000	\$ 415,000	\$ 830,000
3/31/20	115,000	115,000	230,000
6/30/20	95,000	95,000	190,000
9/30/20	135,000	135,000	270,000
12/31/20	110,000	110,000	220,000
Total	\$ 455,000	\$ 455,000	\$ 910,000