

TOWN OF MALABAR
REGULAR TOWN COUNCIL MEETING
MONDAY, JUNE 04, 2018, 7:30 PM
2725 MALABAR ROAD, MALABAR, FLORIDA
AGENDA

- A. CALL TO ORDER, PRAYER AND PLEDGE
- B. ROLL CALL
- C. APPROVAL OF AGENDA - ADDITIONS/DELETIONS/CHANGES:
- D. CONSENT AGENDA:
 - 1. Approve Regular Town Council Meeting Minutes 05/21/2018

Exhibit: Agenda Report 1
Recommendation: Request Approval

PRESENTATIONS – PROCLAMATION RECOGNIZING HEIDEKRUGER

- E. ATTORNEY REPORT:
- F. BCSO REPORT:
- G. BOARD / COMMITTEE REPORTS: T&G Committee; Park & Recreation and P&Z Boards
- H. STAFF REPORTS: PW-DIRECTOR, ADMINISTRATOR; FIRE CHIEF, CLERK

- I. PUBLIC COMMENTS: Comments at this point may address items NOT on the Agenda. Comments related to subsequent Agenda Items may be made as those items come up. Public comments do not require a Council response. (Speaker Card is Required) **Three (3) Minute Limit per Speaker.**

- J. PUBLIC HEARINGS/SPECIAL ORDERS: 0
- K. UNFINISHED BUSINESS/GENERAL ORDERS
ORDINANCES FOR FIRST READING: 0
RESOLUTIONS: 1
 - 2. Approve Updates to Investment Policy (Reso 05-2018)A RESOLUTION OF THE TOWN OF MALABAR, BREVARD COUNTY, FLORIDA, AMENDING THE INVESTMENT POLICY ADOPTED IN 2008 TO PROVIDE FOR THE ADDITION OF REGISTERED INVESTMENT ADVISORS; PROVIDING FOR FORMATTING UPDATES; PROVIDING FOR CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.
 - Exhibit: Agenda Report 2
 - Recommendation: Approve Reso 05-2018
- MISCELLANEOUS: 0

- L. DISCUSSION/POSSIBLE ACTION:
 - 3. SR514 WideningPUBLIC COMMENTS: General Items (Speaker Card Required)

- M. REPORTS – MAYOR AND COUNCIL MEMBERS

- N. ANNOUNCEMENTS: Vacancies: 2 on Bd of Adj; 2 on Pk & Rec Bd; 3 on T&G Com.

- O. ADJOURNMENT:

If a person decides to appeal any decision made by this board, agency or commission with respect to any matter considered at this meeting, a verbatim transcript may be required, and the individual may need to ensure that a verbatim transcript of the proceedings is made (Florida Statute 286.0105). The Town does not provide this service. In compliance with F.S. 86.26 and the Americans with Disabilities Act (ADA), anyone who needs a special accommodation for this meeting should contact the Town's ADA Coordinator at 321-727-7764 at least 48 hours in advance of this meeting.

**TOWN OF MALABAR
AGENDA ITEM REPORT**

AGENDA ITEM NO: 1
Meeting Date: June 04, 2018

Prepared By: Debby Franklin, C.M.C., Town Clerk/Treasurer

SUBJECT: Approval of Minutes

BACKGROUND/HISTORY:

Attached are the summary minutes for the following meeting(s):

- Regular Town Council Meeting – 05/21/2018

The minutes are the official record of the actions taken by the Council.

ATTACHMENTS:

Draft Minutes of 05/21/18

ACTION OPTIONS:

The Town Clerk requests approval of the minutes.

MALABAR TOWN COUNCIL REGULAR MEETING MINUTES

MAY 21, 2018

7:30 PM

This meeting of the Malabar Town Council was held at Town Hall at 2725 Malabar Road.

A. CALL TO ORDER:

Chair, Mayor Patrick Reilly called the meeting to order at 7:30 pm. CM Rivet did P&P

B. ROLL CALL:

CHAIR:

MAYOR PATRICK T. REILLY

VICE CHAIR:

STEVE RIVET

COUNCIL MEMBERS:

GRANT BALL

LAURA MAHONEY

DICK KORN

DANNY WHITE

TOWN ADMINISTRATOR:

DOUGLAS HOYT

TOWN ATTORNEY:

KARL BOHNE

TOWN CLERK/TREASURER:

DEBBY FRANKLIN

C. **APPROVAL OF AGENDA - ADDITIONS/DELETIONS/CHANGES:** Move #7 to "Administrator" - **MOTION:** CM Mahoney / CM Korn asked to postpone meeting since agenda wasn't uploaded. Agenda was posted as required and package was emailed to any that requested it. Due to technical difficulties with computer system the agenda package was too large to upload as explained to all. **Vote:** Aye, 1 (Mahoney); Nay, 4.

D. **CONSENT AGENDA:**

1. **Regular Town Council Meeting Minutes 5/07/18**

Exhibit:

Agenda Report No. 1

Recommendation:

Request Approval

MOTION: CM Rivet / CM Ball to approve the 5/7/18 minutes as presented. **Discussion:** CM Mahoney said on page 3, Tom Saleeba's comments were editorialized - not recorded private property damage. Chair stated the minutes reflect his concerns.

Vote: Ayes, 3; Nay, 1 (Mahoney).

E. **ATTORNEY REPORT:** none.

F. **STAFF REPORTS:**

ADMINISTRATOR: Hall Road, met with property owner – if he would pay for pipe we would put it in. He thought that was a good idea. Write down his concerns and he will bring to Council.

We are shooting the elevations for all the roads and we are 2/3 of way through. Many years ago, we had Brevard County do a culvert inventory and this work we are doing today will add better information to that. Those elevations will go up on Google Earth.

Babcock Street widening improvement from Micco to Malabar Roads – they will be scheduling a project meeting and when they pick a date he will urge Council and public to attend that meeting.

Fern Creek – FDOT is acquiring this for turn lanes and for widening SR514. Also regarding the drainage project that Malabar is proposing – as an alternate put a 48" pipe and water control structure in for storm management. Received email from FDOT acquisition person – marked up the plan note to state that the drainage improvement we are getting from them has been set aside for now; we are not in a strong position right now. CM Rivet said the purpose of Malabar giving up Fern Creek Crossing was in order to get the stormwater improvement. CM Korn agrees with CM Rivet. He is concerned about the turn lanes on SR514. Have we agreed to that? CM Mahoney said she signed petition for the slowing down of speed on SR514. We have funding now to get the turn lanes to help the safety issue. They have safety money available. CM Korn said turn lanes only on SR514 will make it much more dangerous. CM White said with the SR514 turn lanes you are more likely to get rear ended.

TA said Bob Camm retired and Georgina Gillete is his replacement. We will be bringing her to town to show her the concerns. CM Ball said if they say if that is going to go away; if they are going to hold off on drainage, then we will hold off on giving up title.

Agenda Item 7. TA put 2 documents before Council. Slope mower attachment – ditcher will work in ditches as deep as 7 feet. He is still working on a demo for the rest of council. Reasonably inexpensive. PB has 3 of them. Cost estimate is 5,680.00. He would like authorization to go ahead pending a satisfactory demonstration.

MOTION: CM White / CM Korn to authorize purchase of ditcher. Discussion. **Vote:** Aye, 4; Nay, 1 (Mahoney).

Gradall – TA went over the need for that piece. Existing one is a 2002 purchased from a rental fleet. When we rented it for one month it cost 7K. Recommendation was to buy a new one but Council voted to buy the used one from the rental fleet and it is operational 50% of time. It is down again. It is the time loss as well as the tangible loss. The one we have will go down highway at 60mph but has double the electronics. The one he is recommending goes 30mph and only has one set of controls. TA strongly advises to buy new one at 280K through a lease for 6 years. Compare the annual lease to the previous loss and it is paid in the first five months. TA referred to the slope mower we finally bought and it has worked for 8 months with no down time.

MOTION: CM Ball / CM Rivet to authorize TA to acquire purchase information for the Gradall recommended by TA. Discussion: CM Ball said stormwater related problems are the #1 concern. **Vote:** Ayes, 5; Nay, 0.

CLERK: nothing – Chair said he wants a newsletter out and inputs for newsletter are due in by this Friday, 5/28/18. CM Mahoney asked Clerk to send meeting hand-ins by meeting date to her.

G. PUBLIC COMMENTS: none

H. PUBLIC HEARINGS/SPECIAL ORDERS: 2

2. Adopt Budget Amendment to FY 2016/2017 Budget (Ord 2018-02)

AN ORDINANCE OF THE TOWN OF MALABAR, BREVARD COUNTY, FLORIDA, PERTAINING TO A BUDGET AMENDMENT IN THE FISCAL YEAR 2016/2017 TO PROVIDE FOR ADDITIONAL REVENUES RECEIVED OVER BUDGETED AMOUNT; TO PROVIDE FOR THE ADDITIONAL EXPENDITURES OVER BUDGETED AMOUNT; TO DIRECT SURPLUS REVENUES TO RESERVED FUNDS ON DEPOSIT; PROVIDING FOR CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

Exhibit: Agenda Report 2

Recommendation: Adopt Ord 2018-02

Ordinance read by title. Chair asked for Staff comment. Franklin said as stated in Agenda Report Public Hearing opened. None. Public Hearing closed.

MOTION: CM Korn / CM Rivet to adopt Ord 2018-02 on 2nd Reading. Discussion.

ROLLCALL Vote: CM Ball, Aye; CM Mahoney, Aye; CM Rivet, Aye; CM Korn, Aye; CM White, Aye. Motion Carried 5 to 0.

3. Adopt Budget Amendment to FY 2017/2018 Budget (Ord 2018-03)

AN ORDINANCE OF THE TOWN OF MALABAR, BREVARD COUNTY, FLORIDA, PERTAINING TO A BUDGET AMENDMENT IN THE FISCAL YEAR 2017/2018 TO PROVIDE FOR ADDITIONAL REVENUES FROM RESTRICTED RESERVES ON DEPOSIT; TO PROVIDE FOR THE ADDITIONAL EXPENDITURES TO COMPLETE NECESSARY ROAD IMPROVEMENT PROJECTS; PROVIDING FOR CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

Exhibit: Agenda Report 3

Recommendation: Adopt Ord 2018-03

Ordinance read by title. Franklin said as stated in Agenda Report Public Hearing opened. None. Public Hearing closed.

MOTION: CM Rivet / CM Korn to adopt Ord 2018-03 on 2nd Reading. Discussion. CM Mahoney asked if this prevents staff from spending money. CM Rivet said staff cannot spend money that is not approved by Council. He asked where this is coming from; if there an allegation, state it. CM Mahoney responded yes, the teen council money gave her natural suspicion. CM Korn said that this has been discussed.

ROLLCALL Vote: CM Ball, Aye; CM Mahoney, Aye; CM Rivet, Aye; CM Korn, Aye; CM White, Aye. Motion Carried 5 to 0.

I. UNFINISHED BUSINESS/GENERAL ORDERS

ORDINANCES FOR FIRST READING: 1

4. Amending Article III and Article VI Providing regulations for Pharmacies and Medical Marijuana Center Dispensing Facilities (Ord 2018-04)

AN ORDINANCE OF THE TOWN OF MALABAR RELATING TO ZONING AND LAND USE; AMENDING ARTICLE III DISTRICT PROVISIONS OF THE LAND DEVELOPMENT CODE OF THE TOWN; AMENDING TABLE 1-3.2; PROVIDING FOR PHARMACIES AND MEDICAL MARIJUANA TREATMENT CENTER DISPENSING FACILITIES IN THE COMMERCIAL ACTIVITIES PORTION OF SAID TABLE; PROVIDING PHARMACIES AND MEDICAL MARIJUANA TREATMENT CENTER DISPENSING FACILITIES AS CONDITIONAL USES IN THE COMMERCIAL LIMITED ZONING CATEGORY; AMENDING ARTICLE VI OF THE LAND DEVELOPMENT CODE OF THE TOWN; AMENDING SUBSECTION D; SETTING FORTH ADDITIONAL REQUIREMENTS AND CRITERIA FOR PHARMACIES AND MEDICAL MARIJUANA TREATMENT CENTER DISPENSING FACILITIES; AMENDING TABLE 1-6.1 (B) CONDITIONAL LAND USE REQUIREMENTS; PROVIDING FOR PHARMACIES AND MEDICAL MARIJUANA TREATMENT CENTER DISPENSING FACILITIES; PROVIDING FOR CONFLICTING PROVISIONS, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE

Exhibit:

Agenda Report 4

Recommendation:

Adopt Ord 2018-04

Ordinance read by title.

Speaker Card: Liz Ritter, PZ Chair: There are changes ongoing with legislation. There is not a critical need for such a unit. Let the statutes get clarified.

CM Korn: Asked about the distinction she questions for dispensing of marijuana Franklin explained the Ord 2017-02 regulations had to be changed due to SB 8A. Ritter said that is why they opted to wait and see future changes. Allow them like pharmacies.

MOTION: CM White / CM Rivet to approve Ord 2018-04 on 1st Reading.

Discussion:

CM White said he read entire SB 8A and then quoted from portions. Does a disservice to his residents. CM Ball is on board with 67% of voters approving medical marijuana. Torn by what Ritter is saying. Nothing is firm yet. Once we say we will approve them. If we ban them for now and then later decide. Probably no one going to put one here. CM Korn is the point is this is a dispensing facility not treatment center. Attorney stated the Statute does not distinguish the definitions. CM Rivet said he agreed with Ball – also means concern. Worried with what we are approving. What is the loss if we wait and get clarification. What do we gain by the banning of it. If we ban them today we can re-visit it next year. Makes sense to be cautious here. Banning them for the time being is in the best interest of all. CM Mahoney said the voters that voted for medical marijuana but don't want it in their town. She missed all of that discussion at P&Z but later called the members and got that input. Ban would be wise. Attorney proposed another moratorium. CM Ball was led to believe there was only two choices. No mention of moratorium. CM Korn asked Attorney if the facility does include treatment. CM White has letter to submit. Does not understand the fear – or bring a bad element. He does not see any ambiguity with the statute and has read it all.

ROLLCALL Vote: CM Ball, Nay; CM Mahoney, Nay; CM Rivet, Nay; CM Korn, Nay; CM White, Aye. Motion failed 4 to 1.

CM Korn to direct Attorney to get definitions before Council consider a moratorium on regulations. Atty will check commentary. The issue is the "treatment center" vs. "dispensing facilities". CM Mahoney said we didn't include pharmacies and we don't want those kinds of place. What direction to attorney - ban or moratorium. CM Korn said the addition of treatment center was added, is when PZ voted against it. Dispensing places ok in town. The treatment center is not wanted in town. Atty point of clarification, CM Rivet dispensing facilities should be allowed. CM Ball agreed. Is there ambiguity? Attorney will report back for a future agenda.

RESOLUTIONS: 1

5. Adopt Reso 03-2018 approving ILA for Save our IRL Surtax (Reso 03-2018)

A RESOLUTION OF THE TOWN OF MALABAR, BREVARD COUNTY, FLORIDA, APPROVING THE SAVE OUR INDIAN RIVER LAGOON LOCAL INFRASTRUCTURE SURTAX INTERLOCAL AGREEMENT; PROVIDING FOR CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

Exhibit:

Agenda Report 5

Recommendation:

Adopt Resolution 03-2018

Resolution read by title. Speaker Card: none.

MOTION: CM Rivet / CM Ball to approve Reso 03-2018.

Discussion: CM Ball is not comfortable signing off on this agreement without someone from County here to explain what it entails. Table until there is someone to represent the ILA.

MOTION: CM White / CM Rivet to table. **Vote:** Aye, 5.

MISCELLANEOUS: 2

6. Direction to Staff for Annual Town Event – Spring or Fall

Exhibit:

Agenda Report 6

Recommendation:

Action

Discussion: CM Korn said he spoke to Park and Rec Member and he recommends that it go back to a committee with input from staff. Car show driven event in the fall. Mayor said there is not the money or the staff time to put on two events. CM Korn said the money coming in from vendors. One year we had 62 vendors. CM Rivet agrees with doing one event a year. CM Ball said do one and he has been thinking about this. SpringFest is the better of the two. Better time of the year to pull it off. Make it one big event. The more often you have it the less interest. CM Korn said it used to be in the Spring and Fall and was called Malabar Day. Good item to stick in MailBoat at and see what residents think. It seems that the FallFest was more populated than the SpringFest. More competition in the spring. CM White said Car show and FallFest is his choice, but ask the residents.

CM Korn said don't have two events going on in the town on same day. CM White said he thought it would encourage residents to attend both. Chair called for a Straw vote: once a year event - 6 each; Spring only vote: 4; Fall only event - 2.

7. Authorization to Purchase Ditcher and Gradall - done earlier

J. DISCUSSION/POSSIBLE ACTION:

8. Discuss Proposed Resolution 04-2018 Council Direction to FDOT and SCTPO (Reso 04-2018)

A RESOLUTION OF THE TOWN OF MALABAR, BREVARD COUNTY, FLORIDA, PROVIDING COUNCIL DIRECTION TO THE SPACE COAST METROPOLITAN PLANNING ORGANIZATION AND THE FLORIDA DEPARTMENT OF TRANSPORTATION REGARDING WIDENING PLANS FOR SR514 PROVIDING FOR UNIFORM DIRECTION; PROVIDING FOR ONE CONTACT REGARDING THE WIDENING PROJECT; PROVIDING FOR DISTRIBUTION OF RESOLUTION; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF RESOLUTIONS OR PARTS OF RESOLUTIONS IN CONFLICT HERewith; PROVIDING FOR AN EFFECTIVE DATE.

Exhibit:

Agenda Report 8

Recommendation:

Action

Mayor spoke.

He was told that the SCTPO and FDOT were getting mixed messages coming from Malabar. He wants Council to come up with a resolution that clearly states Malabar intentions. CM Mahoney said they should do the safety things first just to get it started.

CM Korn – has talked to FDOT and they don't know what we want. They want to construct a 22' median. Don't need four lanes to two lanes and then to three lanes. We have got two churches, two parks, a fire station and dumping into a bottleneck.

Speaker Card – Brian Vail, ideally should be four lanes all the way through. If there is no feasible way at least make it three lanes. Don't agree with median. Have a sidewalk that connects Marie Street to hospital. This is what he is hearing and many people talk to him.

CM White – agreed with Brian but includes traffic light and reduce speed.

CM Ball – four lane it to Glatter and have east bound go down Glatter as two lanes and west bound from US 1 to Glatter west bound as two lanes. That is what we should be asking for. It isn't being pursued because FDOT doesn't want to fight Florida East Coast Railway. CM Korn – The enforcement of speeding is impossible; no area to pull vehicles over. They need adequate shoulders to pull traffic over and to allow for bicycles. CM Mahoney – Thinks the engineering companies chosen by FDOT to create proposals, like Aitkens love to redraw the plans per Town requests and take the FDOT money. CM Mahoney said the safety money needs to be pushed for. When she called and said we wanted traffic lights. Turn lanes improve the safety and they can do today. Find some money somewhere to do the Town ones. CM Rivet – let's take excuse away from them. Speak with one voice. Direction to Clerk: Send the Resolution out to Council in Word so they can each add their own bullets.

K. PUBLIC COMMENTS: General Items (Speaker Card Required) none

L. REPORTS – MAYOR AND COUNCIL MEMBERS

CM Ball: He is fired up about getting SR514 addressed – making it two lane each way from Glatter Road, like 512.

CM Mahoney: nothing

CM Rivet: nothing

CM Korn: FDOT plans stormwater ponds in the CG triangle is Malabar's downtown area; he won't see if in our lifetime. They don't want to know what we want. They can justify their paycheck. That is what they are doing instead of caring for what the residents want. Look at right turn lanes on Corey and weber.

Mayor: He attended the Mayors Breakfast last Thursday and spoke about the 2016 election and single districts, the SR514 widening, and the T&G praise and recognition. Attended appreciation for Brian and Murry at TPO meeting.

CM White: apologized to Liz. These people devote their time and energies and when we do finally come up with the new sign ordinance he will volunteer to go through the town and identify all the violations and then give these people notice and let them know what they have to do to come into compliance. He also announced he will be going to county commission meeting about the fire assessment millage increase and the moratorium on septic systems.

M. ADJOURNMENT:

There being no further business to discuss and without objection, the meeting was adjourned by the Chair at 10:00 PM.

BY: _____
Mayor Patrick Reilly, Council Chair

ATTEST:

Debby K. Franklin, C.M.C.
Town Clerk/Treasurer

Date Approved: 6/04/2018

Official Proclamation
Town of Malabar,
Florida

Whereas, the Town Council of the Town of Malabar wishes to recognize and publicly acknowledge the business contributions of Heidekruger Well and Pump Services, Incorporated for over 100 years in operation; and

Whereas, the Town Council of the Town of Malabar wishes to express its congratulations and appreciation to Heidekruger Well and Pump Services Inc. for its continuous service to Malabar citizens and surrounding communities in Brevard and Indian River Counties; and

Whereas, Heidekruger Well and Pump Services Inc. enjoys one of the earliest occupational license numbers issued by the Town of Malabar; and

Whereas, Heidekruger Well and Pump Services Inc. has assisted the Town throughout the years by providing dedicated and professional services to the Town with its well drilling and maintenance to the Town Hall and Fire Department locations. Most recently, the newly dedicated ADA Restroom at the Sand Hill Trail Head, 1400 Marie Street, Malabar, Florida, which is a showcase in the Brevard County Linear Trail System recognized throughout the Space Coast area; and

NOW, THEREFORE, I, Patrick T. Reilly, Mayor of the Town of Malabar, Florida, on this 4th day of June, 2018 do recognize

Heidekruger Well and Pump Services, Incorporated

for their many contributions and years of service to the Town of Malabar.

Town of Malabar

Patrick T. Reilly
Mayor Patrick T. Reilly, Council Chair

Seal



Attest:

Debby Franklin
Debby K. Franklin, Town Clerk/Treasurer

TOWN OF MALABAR AGENDA ITEM REPORT

AGENDA ITEM NO: 2
Meeting Date: June 04, 2018

Prepared By: Mathew Stinnett, Deputy Town Clerk/Treasurer

SUBJECT: Approve Updates to Investment Policy (Reso 05-2018)

BACKGROUND/HISTORY:

The Town's Investment Policy was created in 2008 and was intended to closely follow language established by F.S. 218.415. Upon review of the policy a handful of typographical items were identified for revision. In addition, while not prohibited by the original policy, the enlistment of advisory help was not expressly acknowledged as an authorized method of managing the Town's assets.

As stated in the policy, public surplus funds should be invested prioritizing Safety and Liquidity over Yield (SLY). Ensuring the safety of principal involves minimizing inflation risk by producing the best yield possible without exposing the asset to additional risk in other forms. For this balancing act to be most effective, constant attention to the market and the Town's portfolio is required. During my tenure with the Town, I have investigated ways to improve the performance of the Town's portfolio, investing in CDs with terms of less than one year and the SBA local government pool. Interest rates have been rising and the Town's current strategy, while significantly better than before, still trails the market and leaves additional revenue on the table. Allowing Town staff to supervise an investment advisor's direction of surplus funds, will allow for additional risk mitigation through diversification, and produce a better return by employing additional types of securities, authorized within the policy statement, that require additional attention and effort to maintain.

To be clear, this policy update will not commit the Town to any specific action; however, it will improve the guiding document that is used to control the management of the Town's investments by providing an additional avenue of approach as necessary.

FINANCIAL IMPACT: Increased earning on investments

ATTACHMENTS: Reso 05-2018

ACTION OPTIONS: Council adoption of Reso 05-2018

RESOLUTION 05-2018

A RESOLUTION OF THE TOWN OF MALABAR, BREVARD CUNTY FLORIDA AMENDING THE INVESTMENT POLCIY ADOPTED IN 2008 TO PROVIDE FOR THE ADDTION OF REGISTERED INVESTMENT ADVISORS; PROVIDING FOR FORMATTING UPDATES; PROVIDING FOR CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Malabar, recognized the need for an investment policy in 2008 to provide direction and guidance for the municipal public funds held in excess of the amounts needed to meet annual budgetary requirements, and

WHEREAS, the Investment activity by the Town of Malabar is done to maximize the earnings on the municipal surplus public funds on deposit and complies with the investment plan adopted by the Council in 2008 and amended from time to time by Resolution; and

WHEREAS, this amendment to the investment policy is intended to fully comply with F.S. 218.415 Sections 1-15 as well as include the use of Registered Investment Advisors in Section 16.

NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF MALABAR, FLORIDA:

Section 1. INVESTMENT POLICY ADOPTED

The amended Investment Policy attached hereto is adopted by the Town Council. The Policy may be amended from time to time by Resolution.

Section 2. PREEXISTING CONTRACT

Any public funds subject to a contract or agreement existing on October 1, 2000 may not be invested contrary to such contract or agreement

Section 3. PREEMPTION

Any provision of any special act, municipal charter, or other law which prohibits or restricts the Town of Malabar from complying with Florida State Statute 218.415 or any rules adopted under the Statute is void to the extend of the conflict.

Section 4. EFFECTIVE DATE

Section 3. This Resolution shall take effect immediately upon its adoption.

This Resolution was moved for adoption by Council Member _____.
This motion was seconded by Council Member _____ and, upon being put to vote, the vote was as follows:

Council Member Grant Ball _____
Council Member Laura Mahoney _____
Council Member Steve Rivet _____
Council Member Dick Korn _____
Council Member Danny White _____

This Resolution was then declared to be adopted this 4th day of June, 2018.

By: **TOWN OF MALABAR**

Mayor Patrick T. Reilly, Council Chair

ATTEST:

Debby K. Franklin, C.M.C.
Town Clerk/Treasurer

(seal)

Approved as to form and content:

Karl W. Bohne, Jr., Town Attorney



PROCEDURE NUMBER: 2018-01

SUBJECT TITLE: INVESTMENT POLICY

EFFECTIVE DATE: 06/05/2018

DISTRIBUTION: TOWN TREASURER, TOWN ADMINISTRATOR, ~~TOWN ACCOUNTANT~~

RESCINDS/REVISED: 2008-08

POLICY:

It is the policy of the Town of Malabar, Florida to invest excess or surplus funds in a manner that will ensure the safety of principal while meeting daily cash flow demands. The optimization of investment income shall be secondary to the requirements of safety and liquidity.

STATUTORY AUTHORITY:

The investment of local government surplus or excess funds is provided for in Florida State Statute 218.415.

SCOPE:

This investment policy applies to all public funds of the Town of Malabar in excess of those required to meet current expenses, excluding Pension Funds. These funds are accounted for in the Town's Comprehensive Annual Financial Report and include the General Fund, Debt Service Fund, Capital Projects Fund, Special Revenue Funds, and Enterprise Funds. Case balances from all funds are consolidated to maximize investment earnings. Investment income is allocated to each fund based on the fund's respective participation and in accordance with generally accepted accounting principles.

AUTHORIZED PERSONS:

The Town's Treasurer is responsible for the operation of the investment program. The Treasurer or designee of the Treasurer and/or Town Administrator is authorized to invest surplus public funds of the Town in accordance with this policy and Florida State Statute 218.415. Any employee(s) engaging in an investment transaction must adhere to this policy and other applicable regulations.

PRUDENCE AND ETHICAL STANDARDS:

The Town of Malabar hereby adopts the Prudent Person Rule, which states that: "Investments should be made with judgment and care, under circumstances prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment." Investment officers acting in accordance

with written procedures and this investment policy while exercising due diligence shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the Town's investments, or which could impair their ability to make impartial decisions. Employees and investment officials shall disclose any personal financial or investment interests that could affect the performance of Town investments.

INTERNAL CONTROLS:

The Treasurer shall establish written internal controls and operational procedures regarding investments, addressing the following points at minimum:

1. Control of collusion
2. Separation of transaction authority from accounting and record keeping
3. Custodial safekeeping
4. Avoidance of physical delivery securities
5. Clear delegation of authority
6. Written confirmation of investment transactions and wire transfers

The Town's independent, external certified public accountants conducting audits of the Town pursuant to Section 218.39 shall report, as part of the audit, if the Town has complied with Section 218.415.

INVESTMENT OBJECTIVES:

The investment portfolio shall be structured, to the extent possible; to match investment maturities with known cash needs and anticipated cash flow requirements. Investments will be diversified to the extent practicable to control the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank. When investment funds are needed, in whole or in part, for the purposes originally intended or for more optimal investments, investments may be redeemed at market price and the proceeds placed into the proper account for immediate use or investment.

The primary objectives, in order of importance, of the Town of Malabar's investments are:

1. **Safety of Capital** – Safety is the primary objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, appropriate diversification strategies are established to offset potential losses due to credit risk and interest rate risk.
 - a. Credit Risk - The risk of loss due to the failure of the issuer or backer will be minimized by:
 - Limiting participation to the safest types of investments
 - Diversification such that potential losses on individual investments are minimized
 - Pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisers

- b. Interest Rate Risk – The risk of loss due to interest rate changes will be minimized by:
- Structured investments so that maturities meet cash requirements
 - Investing operating funds in shorter-term investments
2. **Maturity and Liquidity of Funds** – The investment portfolio shall be structured in such a manner to provide sufficient liquidity to pay obligations as they come due. An attempt will be made to match investment maturities with known cash needs and anticipated cash-flow requirements.
3. **Investment Income** – Investments will be designed with the objective of attaining a rate of return comparable to that of the market, taking into account the safety of principal and the liquidity of the investments.

AUTHORIZED INVESTMENTS:

In accordance with Florida State Statute 218.415, the Town's investment policy is adopted by resolution and permits the following investments as approved by Council:

1. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01.
2. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
3. Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02.
4. Direct obligations of the U.S. Treasury
5. Federal agencies and instrumentalities
6. Securities of, or other interests in, any open-end or close-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.
7. Other investments authorized by law or by ordinance for a county or a municipality.
8. Other investments authorized by law or by resolution for a school district or a special district.

ADDITIONAL AUTHORIZED DEPOSITS:

In addition to the Authorized Investments above, the Town may deposit any portion of surplus funds in its control or possession in accordance with the following conditions:

1. The funds are initially deposited in a qualified public depository, as defined by Section 280.02, selected by the Town.
2. The selected depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured banks or savings and loan associations, wherever located, for the account of the Town.

3. The full amount of the principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation.
4. The selected depository acts as custodian for the Town with respect to such certificates of deposit issued for its account.
5. The same time the Town's funds are deposited and the certificates of deposit are issued, the selected depository receives an amount of deposits from customers of other federally insured financial institutions, wherever located, equal to or greater than the amount of the funds initially invested by the Town through the selected depository.

PROHIBITED INVESTMENTS AND INVESTMENT PRACTICES:

The following actions are prohibited:

1. Purchases of margins or short sales
2. Purchases of derivative securities that are, in effect, a leveraged bet on future movements of interest rates, or some price index
3. Purchases of collateralized mortgage obligations due to their complexity and prepayment rate uncertainty
4. Lending securities with an agreement to buy them back after a stated period of time (reverse repurchase agreements from the perspective of the public body).

AUTHORIZED FINANCIAL INSTITUTIONS AND BROKERS / DEALERS:

The following institutions are authorized to provide investment services to the Town of Malabar:

1. Financial institutions qualified as public depositories in the State of Florida
2. Entities providing intergovernmental investment pools authorized per Florida State Statute 163.01
3. Security Brokers/Dealers selected by credit worthiness and authorized to provide investment services in the State of Florida.
4. The Town may employ a registered investment Advisor to assist in managing some or all of the Town's portfolios.

BID REQUIREMENT:

The Town of Malabar shall analyze and select one or more optimal types of investment, and the security will be obtained through competitive bidding when feasible and appropriate, with emphasis on the local community lending institutions when feasible and appropriate.

THIRD-PARTY CUSTODIAL AGREEMENTS:

Securities shall be held with a third party. All securities purchased by and all collateral obtained by the Town of Malabar must be properly designated as an asset of the Town. Only an authorized staff member of the Town of Malabar may make withdrawals of securities, in whole or in part. Securities transactions between a broker/dealer and custodian involving purchase or sale of securities by transfer of money of securities must be made on a "delivery vs payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

AUTHORIZED INVESTMENTS:

~~The Town may invest or reinvest any surplus public funds in their control or possession in:~~

- ~~1. The Local Government Surplus Trust Fund, or any other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Florida State Statute 163.01.~~
- ~~2. Securities and Exchange Commission registered money market funds with the highest credit rating from a nationally recognized rating agency and shall be invested to provide sufficient liquidity to pay obligations as they come due.~~
- ~~3. Interest bearing time deposits or savings accounts in qualified public depositories, as defined in Florida State Statute 280.02 and shall be invested to provide sufficient liquidity to pay obligations as they come due.~~
- ~~4. Direct obligations of the U.S. Treasury.~~

MASTER REPURCHASE AGREEMENT:

All authorized institutions/dealers involved in repurchase agreement transactions on behalf of the Town of Malabar are required to execute and perform these transactions according to a Master Repurchase Agreement.

CONTINUING EDUCATION:

The Town of Malabar shall provide for the continuing education of the Town's officials responsible for making investment decisions. Such officials must annually complete 16 hours of continuing education in subjects or courses of study related to investment practices and products.

REPORTING & PERFORMANCE MEASUREMENT:

The Town Treasurer or designee shall prepare, at least semi-annually, an Investment Report outlining the Town's holdings, excluding Pension Funds. The report will include, at minimum, a listing of individual investments held and the investments' respective maturities, yield, and percentage of total portfolio. The report will be provided to the Town Administrator, ~~Town Treasurer~~, and the Town Council. Additionally, the Public Depositor Annual Report will be prepared at year-end. Such reports shall be available to the public.