City of Melbourne

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Olde Eau Gallie Riverfront Community Redevelopment Agency

September 29, 2021

The following item will be heard during the regular meeting of the Melbourne City Council.This meeting will begin immediately following adjournment of the 5:30 p.m. Budget Public Hearing. See full City Council agenda for location of the following item.

1. Community Redevelopment Agency policies and procedures in response to State Auditor General operational audit.
   a. **Resolution No. 4049:** A resolution of the governing body of the Olde Eau Gallie Riverfront Community Redevelopment Agency adopting policies and procedures related to the Agency's operations.

Mayor Paul Alfrey and Council Members Debbie Thomas and Vice Mayor Tim Thomas, as members of the Airport Authority Board, may discuss Airport Authority issues, which may subsequently be addressed by the Airport Authority.

Mayor Paul Alfrey and Council Members Yvonne Minus, Mimi Hanley, and Mark LaRusso (alternate), as members of the Space Coast Transportation Planning Organization (SCTPO), may discuss SCTPO issues, which may subsequently be addressed by the SCTPO.

Pursuant to 286.0105, Florida Statutes, the City hereby advises the public that if a person decides to appeal any decision made by the City Council with respect to any matter considered at its meeting or hearing, he will need a record of the proceedings, and that for such purpose, affected persons may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for the introduction or admission into evidence of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk’s Office (321-608-7220) at least 48 hours prior to the meeting.

Melbourne City Council
September 29, 2021
City Manager's Item Report

Department:	City Manager's Office
Presenter:	Shannon Lewis
Council District:	N/A
Reading Number:	N/A
Public Hearing:	No
Quasi-judicial Item (Disclosure Required):	No
Item Number:	A.1.

Subject:
Community Redevelopment Agency policies and procedures in response to State Auditor General operational audit.

Background/Consideration:
In response to the State of Florida Auditor General's operational audit of the City of Melbourne, Melbourne Community Redevelopment Agency, and Olde Eau Gallie Riverfront Community Redevelopment Agency, the City is required to take corrective actions to address the findings and recommendations contained within the audit report. City staff are continuing to prepare recommended policies for the City Council's consideration. The material contained within this agenda item addresses Finding 7 – CRA Policies and Procedures, Finding 8 – CRA Board Meeting Notices, Finding 10 – CRA Budgets, Finding 11 – Ending Balances in CRA Trust Funds, Finding 12 – CRA Trust Fund Uses, Finding 13 – Guarantees for Payment, and Finding 14 – CRA Donations.

Findings 1 and 2 – Donation Policies and Monitoring were completed on June 21, 2021. Finding 9 – CRA Plans was completed on September 15, 2021. Corrective actions for the last five findings are being finalized.

Fiscal/Budget Impact:
N/A

Requested Action:
Approval of Resolution No. 4049.

MEMORANDUM

To: Mayor and City Council Members

From: Shannon M. Lewis, City Manager

Date: September 20, 2021

Re: Community Redevelopment Agency policies and procedures in response to State Auditor General operational audit.

In response to the State of Florida Auditor General's operational audit of the City of Melbourne, Melbourne Downtown Community Redevelopment Agency, and Olde Eau Gallie Riverfront Community Redevelopment Agency, the City is required to take corrective actions to address the findings and recommendations contained within the audit report. City staff are continuing to prepare recommended policies for City Council's consideration. The material contained within this agenda item addresses Finding 7 – CRA Policies and Procedures, Finding 8 – CRA Board Meeting Notices, Finding 10 – CRA Budgets, Finding 11 – Ending Balances in CRA Trust Funds, Finding 12 – CRA Trust Fund Uses, Finding 13 – Guarantees for Payment, and Finding 14 – CRA Donations.

Findings 1 and 2 – Donation Policies and Monitoring were completed on June 21, 2021. Finding 9 – CRA Plans was completed on September 15, 2021. Corrective actions for the last five findings are being finalized.

Finding 7 - CRA Policies and Procedures

The City and the CRA boards have utilized state law contained in Chapter 163 Part III and Chapter 189 of Florida Statutes, collectively with City Code and implemented City policies and procedures for the safeguarding of CRA resources. The CRA boards, although comprised of the City Council, have not separately adopted City Code, policies, and procedures for use in CRA operations.

The audit recommendation in Finding 7 is for the CRA boards to establish policies and procedures governing all aspects of CRA operations, which should be developed, as appropriate, based on State law specifically applicable to CRAs and generally applicable to special districts.

To correct Finding 7, it is recommended that the CRA Governing Board adopt the attached policies and procedures for each of the three CRAs. All of the findings being addressed by this memorandum have been incorporated into a single policy document for discussion and adoption by each of the Community Redevelopment Agencies. The attached CRA policies and procedures are organized by major categories that can be easily updated and amended over time as required. Major categories include General Provisions; Governing Board; Agency Administration; Agency Reporting; Grants and Economic Incentives; Property; and Finance.

Finding 8 – CRA Board Meeting Notices

As previously reported at the June 21, 2021 City Council Meeting, in accordance with state law, an annual notice of the schedule of the meetings of the three CRAs is published in the Florida Today. The notice indicates that the Melbourne City Council serves as the CRA for all three agencies and therefore, the schedule mirrors the City Council's meeting schedule. Additionally, the notice indicates that business pertaining to each CRA may not appear on every City Council agenda. The audit stated that the city's annual notice did not specifically communicate when CRA Board meetings would be held.

To correct Finding 8, additional language was added to the notice providing a direct link to the city's CRA public meeting website to assist the public in determining whether a specific City Council meeting agenda will include any CRA business. Following the exit conference with the Auditor General's Office, the 2021 CRA meeting notice was amended to include the new language referenced above.

This notice provision is included in the attached CRA policies and procedures under Section 202(d) and Section 402.5.

Finding 10 – CRA Budgets

Although the CRAs have not had a written budget policy, the CRA boards have adopted budgets on a fund level basis. The City's history of favorable audits by independent auditors reflect the validity of the City's practice. During the audit period, independent auditors did not report any findings on budget adoption or adjustments to the adopted budget in their audit report relating to CRAs, which reports are signed by a Certified Public Accountant well versed in Florida state law, Government Accounting and Financial Reporting Standards and industry practices. The practice is further validated in the City's receipt of the Certificate of Achievement for Excellence in Financial Reporting awarded to the City by the Government Finance Officers Association of the United States and Canada for over 33 years.

The audit recommendations in Finding 10 are to ensure that future CRA board-adopted budgets include all balances brought forward from prior fiscal years and estimate and amend the budgeted beginning fund balances to reflect the most current information available; establish the desired legal level of budgetary control for CRA budgets and ensure that budgeted expenditures reported on the financial statements accurately reflect the established legal level of budgetary control to enable financial statement users to readily determine whether resources were expended within budgeted amounts consistent with CRA board intent; and ensure the CRA web pages clearly inform users how to access the CRA board-adopted budgets.

To correct Finding 10, it is recommended that the CRA Governing Board adopt the attached CRA policies and procedures. Policies regarding material to be contained on the CRA website are included in Section 402; the policies related to the legal level of budgetary control and expenditures reported on the financial statements are included in Sections 703 and 704; and the policy related to estimating the year-end balance for purposes of budgeting any balances brought forward from prior fiscal years is included in Section 705.

Finding 11 – Ending Balances in CRA Trust Fund

Effective October 1, 2019, Section 163.387, Florida Statutes was amended to require an audit report that will, among other requirements, include a finding by the independent auditor as to whether the CRA is in compliance regarding the allowable use of any moneys remaining in the trust fund on the last day of the fiscal year.

The audit recommended that the CRAs maintain records evidencing that moneys remaining in the CRA trust funds at the end of the fiscal year were either obligated for purposes authorized by State law or returned to the applicable taxing authorities that contributed tax financing moneys.

To correct Finding 11, it is recommended that the CRA Governing Board adopt the attached CRA policies and procedures. Section 705 addresses ending balances in the CRA trust funds.

Finding 12 – CRA Trust Fund Uses

The City transfers funds from the CRA trust fund to redevelopment project funds, otherwise known as capital project funds. The City purposefully reports all capital related expenditures in capital project funds, in part, so that projects that have multiple funding sources will report the total amount of the capital costs for that project in one place. The reader of the financial statements will know, without having to go to multiple separate funds, the true total cost of a capital improvement. It also makes capitalizing project costs into fixed assets for financial statement reporting more efficient.

The audit suggested that reporting CRA trust fund transfers out, instead of expenditures, could reduce the transparency of CRA operations to the public and could affect the determination of whether the CRA expenditures meet the statutory threshold requiring a separate financial audit. The audit recommended that the amounts expended from CRA resources should be reported as expenditures.

Effective October 1, 2019, Chapter 2019-163, Laws of Florida, amended Section 163.387, Florida Statutes, to require the City's CRAs to provide for a trust fund audit as part of a separate financial audit of each CRA. Beginning with fiscal year end September 30, 2020, CRA revenues and expenditures have been audited and reported on separately. As part of the corrective actions for Finding 12, the City also included Supplementary Information to the CRA financial statements that documented capital expenditures incurred, by project, within the fiscal year.

To formalize the corrective actions taken for Finding 12, it is recommended that the CRA Governing Board adopt the attached CRA policies and Procedures. Sections 702 and 704 address CRA use of funds and audit requirements.

Finding 13 – Guarantees for Payment

The City acknowledges that the CRA has not had a written policy or procedure for evaluating whether developers provide letters of credit, performance bonds or other forms of security necessary to protect CRA interests. Despite not having a written procedure, the City and the CRA have exercised sound business judgment and responsible public stewardship in determining the security necessary to protect CRA interests.

The audit recommended that the CRAs establish procedures that require, prior to executing a contract with the developer, the developer to provide guarantees for payments, such as letters of credit, payment and performance bonds, or other forms of security.

The City and the CRAs, as a practical matter, have required security as documented in authorized Development Agreements. To correct Finding 13, it is recommended that the CRA Governing board adopt the attached CRA policies and procedures. Part 500 addresses grants from the Agency, public private partnerships, other economic incentives and reporting/monitoring requirements. It also addresses the evaluation of risk and requirements for security.

Finding 14 – CRA Donations

The preliminary and tentative finding regarding CRA donations is similar to the concern set forth in Finding 2 and recommends that the CRA boards enhance policies and procedures regarding donations to external organizations to include additional levels of documentation.

The audit recommended that agreements executed with external organizations require those organizations to submit, as part of their quarterly reports, documentation showing how the donated funds were expended to accomplish the specific purpose for the donations and to periodically examine the records maintained by the external organizations to verify the documentation provided to the CRAs is supported by the external organization records.

To correct Finding 12, it is recommended that the CRA Governing Board adopt the attached CRA policies and procedures. Sections 501 and 504 address grants from the Agency and reporting/monitoring requirements.

Recommended Action

a.) Approve Resolution No. 4037.
b.) Approve Resolution No. 4038.
c.) Approve Resolution No. 4039

RESOLUTION NO. 4049

A RESOLUTION OF THE GOVERNING BODY OF THE OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY, ADOPTING POLICIES AND PROCEDURES RELATED TO OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY OPERATIONS; MAKING FINDINGS; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR ADOPTION.

WHEREAS, the City Council of the City of Melbourne, Florida (the "City Council"), adopted Resolution No. 1657, which found and determined that the Olde Eau Gallie Riverfront Community Redevelopment Area described therein (as expanded from time to time, the "Redevelopment Area") is a "blighted area" within the meaning of Part III, Chapter 163, Florida Statutes (the "Act") and in particular Section 163.340 thereof, and that such area was in need of the redevelopment, rehabilitation and improvement contemplated by the Act; and

WHEREAS, by Resolution No. 1657, the City Council created the Olde Eau Gallie Riverfront Community Redevelopment Agency (the "Agency") to carry out the community redevelopment purposes of the Act within the Redevelopment Area; and

WHEREAS, the City Council is the governing body of the Agency; and

WHEREAS, an audit by the Florida Auditor General found that the Agency lacked comprehensive policies and procedures governing all aspects of Agency operations; and

WHEREAS, it is the intent of the Agency to follow applicable policies and procedures of the City of Melbourne and its City Council; and

WHEREAS, approval of this resolution is authorized pursuant to and under the authority of the City Charter; Section 163.01, Florida Statutes; the Community Redevelopment Act of 1969, codified in Part III, Chapter 163, Florida Statutes; Chapter 166, Florida Statutes; and other applicable provisions of law.

BE IT RESOLVED BY THE CITY OF MELBOURNE, FLORIDA, AS THE GOVERNING BODY OF THE OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY:

SECTION 1. That except to the extent prohibited by law, the policies and procedures set forth on the attached Exhibit "A" are hereby approved and adopted as policies and procedures of the Olde Eau Gallie Riverfront Community Redevelopment Agency.

SECTION 2. That if any one or more of the provisions of this resolution should be held contrary to any express provision of law or shall for any reason whatsoever is held invalid by a court of competent jurisdiction, then such provisions shall be null and void and shall be deemed separate from the remaining provisions of this resolution.

SECTION 3. That it is not the Agency's intention, and nothing herein shall be so construed, to impair the effectiveness of any prior action or resolution taken or adopted by the governing body of the Agency, with respect to the creation and establishment of the Agency, community redevelopment, the issuance of any bonds or obligations, or any other associated action taken by the Agency.

SECTION 4. That this resolution shall become effective immediately upon its adoption by the Agency in accordance with the Charter of the City of Melbourne.

SECTION 5. That this resolution was duly adopted at a regular meeting of the governing body of the Olde Eau Gallie Riverfront Community Redevelopment Agency on the day of , 2021.

BY: ______________________________
Paul Alfrey, Chair

ATTEST: ______________________________
Kevin McKeown, City Clerk

Attachment: Exhibit “A”

Resolution No. 4049

OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY

POLICIES AND PROCEDURES OF THE COMMUNITY REDEVELOPMENT AGENCY

101 ***Intent.*** The City Council of the City of Melbourne is the governing board of the Agency. It is the intent of these policies and procedures of the Agency to reflect those of the City of Melbourne, subject to the limitations applicable to the Agency as a community redevelopment agency established as a dependent special district pursuant to Part III, Chapter 163, Florida Statutes.

102 ***Designation.*** The Agency designates the City of Melbourne as the authorized agent of the Agency for purposes of procurement, administrating all financial related transactions and administrative services, and contracting except as set forth in these policies and procedures or as otherwise prohibited by state law.

103 ***Compliance with State Law.*** As a statutory community redevelopment agency, and notwithstanding anything to the contrary herein, all operations of the Agency will comply with the requirements of Part III, Chapter 163, Florida Statutes subject to the exceptions set forth in §163.463, Florida Statutes to the extent applicable. As a dependent special district and notwithstanding anything to the contrary herein, all operations of the Agency will comply with the requirements of the Uniform Special District Accountability Act set forth in Chapter 189, Florida Statutes, as applicable. These policies will be reviewed by the Agency bi-annually to confirm compliance with State law.

201 ***Chair/Vice Chair:*** The Mayor of the City shall serve as Chair of the governing board of the Agency and the Vice Mayor of the City shall serve as the Vice Chair of the governing board of the Agency.

202 ***Meetings***.

a. Meetings of the governing body of the Agency shall comply with the requirements of §189.015, Florida Statutes.

b. Regular meetings of the governing board of the Agency shall be scheduled concurrent with meetings of the City Council. Any member of the governing board of the Agency or the City Manager may request an item on the agenda for Agency business.

c. Special meetings. The Mayor, as chair of the governing board of the Agency, or the City Manager may call special meetings of the Agency whenever the public business may require it or at the express written request of any three members of the governing board of the Agency.

d. Notice of meetings. An annual notice of the schedule of the regular meetings of the governing board of the Agency will be filed with the City and published in the Florida Today publication, which meetings will reflect the same anticipated schedule of regular City Council meetings (generally the second and fourth Tuesday of each month). The notice will include the date, time and location of the Agency's regular meetings, will explain that business pertaining to the Agency may not appear on every City Council agenda and will provide a link to the Agency website for interested parties to determine if Agency business will be heard at a particular meeting. A meeting of the Agency will be deemed cancelled if Agency business is not set forth on the City Council agenda and noticed on the Agency website.

e. Meeting agenda. In accordance with §189.069, Florida Statutes, at least 7 days before each meeting or workshop of the governing board of the Agency, the agenda item(s) relevant to the Agency meeting will be posted on the Agency website. The information will remain on the website for at least one year.

203 ***Parliamentary Procedure.*** To the extent applicable, the meetings of the governing board of the Agency will be conducted in accordance with the parliamentary procedure of City Council set forth in City Code, including §2-25 (Presiding officer; duties), §2-31 (Rules of debate), §2-32 (Addressing the city council – Time limit), §2-33 (Same – After motion made); §2-34 (Voting); §2-36 (Standards of decorum); §2-40 (Ordinances, resolutions, motions and contracts) exclusive of references to ordinances; and §2-41 (Adjournment).

204 ***Minutes***. Members of the governing board of the Agency shall be provided with copies of meeting minutes through the City Council agenda packets. The minutes of Agency meetings shall be deemed approved by the Agency if approved by City Council.

205 ***Ethics***. The governing board of the Agency shall be subject to the Code of Ethics of City of Melbourne set forth in City Charter Sec. 3.21 and the Code of Ethics for Public Officers and Employees set forth in §§112.311-112.3261, Florida Statutes and §163.367, Florida Statutes.

301 ***City Services to Agency.*** The City Manager and City Attorney shall have the authority and responsibilities for Agency matters as the City Manager and City Attorney have on behalf of the City of Melbourne. At the direction of the City Manager, City staff will provide City services to the Agency. To the extent permitted by Part III, Chapter 163 of Florida Statutes, the City will be entitled to reimbursement from redevelopment trust funds for City services furnished to the Agency pursuant to a cost allocation agreed to by the governing board of the Agency and the City Council. Agreement to the cost allocation will be evidenced by adoption of the budgets by the governing board of the Agency and by the City Council, respectively. The cost allocation may not provide for payment of City services greater than the value of City services actually provided to the Agency.

302 ***Procurement***. Other than those goods and services provided directly by City staff, goods and services (including professional services and construction services) for use by the Agency shall be procured by the City of Melbourne on behalf of the Agency provided the City procurement is in accordance with the City's Purchasing Code (Chapter 2, Article VI of the Code of the City of Melbourne) and related policies and procedures.

303 ***Contracting***. Except as otherwise set forth herein, all contracts and agreements for the benefit of the Agency shall be in the name of the City of Melbourne and executed by the City Manager in accordance with City Code and these policies and procedures.

303.1 Authority. The Agency's appropriation in the Agency's budget of redevelopment trust funds for an eligible authorized expense shall be deemed authorization of the City of Melbourne to use the redevelopment trust funds for the purpose intended. By this authorization, the Agency intends to limit the involvement of the Agency to funding projects, goods and services that meet the requirements of Part III, Chapter 163, Florida Statutes. Unless explicitly limited by the terms of the Agency approval or by these policies, no further Agency approval of a project, award or agreement shall be required.

303.2 Exception - Grants. Grants from the Agency shall be pursuant to a written agreement between the Agency and the grantee. Upon approval of the grant agreement by the governing board of the Agency, the City Manager is authorized to execute the grant agreement on behalf of the Agency.

303.3 Exception – Interlocals. Interlocal agreements between the Agency and another governmental entity shall be pursuant to a written agreement in the name of the Agency in accordance with §163.01, Florida Statutes. Upon approval by the governing board of the Agency of the interlocal agreement, the City Manager is authorized to execute the interlocal agreement on behalf of the Agency.

303.4 Exception – Property Transfers. Real property conveyed in fee simple from the Agency and leases of property owned by the Agency shall be subject to the approval of the governing board of the Agency. Rights of way are not subject to the authority of the Agency and are not subject to these policies and procedures.

303.5 All such contracts and expenditures shall be in accordance with the community redevelopment plan of the Agency in effect at such time.

401 ***Reporting***. The Agency shall file with the City Council, on or before March 31 of each year, a report of its activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expenses as of the end of such fiscal year. At the time of filing the report, the Agency shall publish in a newspaper of general circulation in the community, a notice to the effect that such report has been filed with the City and that the report is available for inspection during business hours of the City Clerk. As a dependent special district of the City of Melbourne, all financial auditing and financial reporting of the Agency shall comply with the requirements of §189.016 and §163.387 of Florida Statutes.

402 ***Website Publication***.

402.1 The Agency will maintain a website containing the information required by §189.069, Florida Statutes.

402.2 The Agency's website will include maps, acreage, audit reports, performance data, summary indicating to what extent, if any the Agency has achieved the goals set out in its community redevelopment plan, all in accordance with §163.371, Florida Statutes.

402.3 As a dependent special district of the City of Melbourne, the tentative budget and final adopted budget of the Agency and any amendments thereto will be posted on the Agency's official website in accordance with §189.016, Florida Statutes. The Agency budget information will be set out on the website under the title of "Budgets and Budget Amendments". Additionally, the website will include a link to the entire City budget inclusive of the Agency budget under the title of "Additional Resources".

402.4 Meeting agenda. In accordance with §189.069, Florida Statutes, at least 7 days before each meeting or workshop of the governing board of the Agency, the agenda item(s) relevant to the Agency meeting will be posted on the Agency website. The information will remain on the website for at least one year.

402.5 The Agency's website will post cancellation of Agency meetings.

501 ***Grants from Agency*.**

501.1 Grants from the Agency shall be subject to approval by the governing board of the Agency.

501.2 All grants awarded by the Agency are subject to the expenditure limitations of the Agency as set forth in Part III, Ch. 163 of Florida Statutes.

501.3 Agency funding of grants will be memorialized in a funding agreement, to include terms and conditions, reporting requirements, record retention and audit authority.

501.4 For grants requiring the provision of services, the funding agreement will provide for a periodic written detailed report from the recipient of how Agency funds were used, including, where applicable, how the community redevelopment area benefited and other and useful metrics illustrating quantifiable and non-quantifiable outcomes of the use of the Agency funds and periodic financial statements detailing the recipient's income, expenses, and balance sheet.

501.5 For grants related to property improvements, the funding agreement will provide for standards of completion and proof of project completion or adequate security for completion.

502 ***Public Private Partnerships***

502.1 Public private partnerships may provide for a private entity to construct public improvements in conjunction with its private development.

502.2 Payment to private entities to construct such public improvements with Agency funds shall be subject to a written agreement approved by the governing board of the Agency.

502.3 An agreement for a public private partnership with the Agency will comply with the requirements of a public private partnership agreement with the City and State law.

502.4 Agency funding of public private partnership projects will be memorialized in a funding agreement, to include terms and conditions, reporting requirements, record retention and audit authority.

502.5 Prior to executing a development agreement with a private entity, the Agency will evaluate the risk to Agency interests. If work will be conducted on Agency property, the work will be considered a public work contract and the requirements of §255.05 will apply. The agreement shall provide that prior to commencing the work, the developer will execute and record in the public records of Brevard County a payment and performance bond with a surety insurer authorized to do business in Florida as surety. When the work to be done on Agency property is for $200,000 or less, no payment and performance bond will be required if the governing board of the Agency determines the project on the Agency property is of low risk to the Agency and that waiver of such requirement is in the best interest of the Agency.

503 ***Other Economic Incentives***

503.1 Agency funding of economic incentives will be memorialized in a funding agreement, to include terms and conditions, reporting requirements, record retention and audit authority.

503.2 Prior to executing an economic incentive agreement with a private entity, the Agency will evaluate the risk to Agency interests. Evaluation of risk will reflect an analysis of Agency funding expenditures and Agency benefit, project completion date, incentive payment date, financial stability of the project and developer and other relevant information as directed by the governing body of the Agency. Adequate security may include deed restrictions, bonds, cash deposits, personal guaranty, in-kind contributions, proof of compliance, recorded security interests, progress payments for performance, assignment or pledge of funds, and/or other reasonable security deemed adequate by the Agency to protect and preserve Agency expenditures for their intended purpose.

504 *Monitoring of Agency Funding Provided Under the Policy*

504.1 Funds provided under this policy are subject to the intent that the funds will be spent in accordance with recipients' and Agency's intentions as stated in the funding agreement.

504.2 Fund recipients will be subject to City oversight to ensure Agency funds are properly used.

504.3 Each funding agreement will detail oversight and monitoring of Agency funding, to include:

a. Records to be retained and records retention requirements.
b. Recipient's concurrence to submit to an audit at the request of the Agency or the City and full cooperation with such an audit.
c. Remedies for non-compliance with the terms and conditions of the funding agreement.

601 ***Disposal of Property***. Sale, lease, exchange, transfer or other disposition of any real or personal property by the Agency will comply with §163.380, Florida Statutes, City Code §§2-602 and 2-645 through 2-647 and administrative procedures of the City of Melbourne.

602 ***Acquisition of Real Property*****.** Acquisition of any real property by the Agency will comply with the federal Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs 49 CFR 24, Chapter 163 (Part III) Florida Statutes, City Code §2-633 and administrative procedures of the City Melbourne.

603 ***Expiration of CRA.*** As authorized by §189.076, Florida Statutes, upon dissolution of the CRA, the title to all real and personal property owned by the Agency shall be transferred to the City of Melbourne.

701 ***Finance Administration***. The Finance Director of the City shall have charge of financial administration of the Agency. The Agency's redevelopment trust fund shall be administered by the Finance Department of the City in accordance with Section 300 of the Administrative Policies and Procedures Manual of the City of Melbourne.

702 ***Use of Funds.*** Funds allocated to and deposited into the redevelopment trust fund shall be used by the Agency to finance or refinance authorized expenditures as set forth in §163.387(6)(c), Florida Statutes, that the Agency undertakes pursuant to an approved community redevelopment plan and pursuant to a budget adopted by the governing board of the Agency. Use of Agency funds is subject to that certain interlocal with Brevard County Board of County Commissioners recorded in Official Records Book 9131 Page 321 of the public records of Brevard County adopted in accordance with §163.01, Florida Statutes.

703 ***Budget***. As a dependent special district of the City of Melbourne, Agency budgets and amendments are subject to §189.016, Florida Statutes. The governing body of the Agency shall adopt a budget by resolution each fiscal year and amendments to such budgets shall be as provided by law. The Budget Officer may authorize amendments to the Agency budget provided the total appropriations of the fund do not increase. The Agency annual budgets are adopted on the Fund level basis. Pursuant to §163.387, Florida Statutes, the Agency will provide the Board of County Commissioners for Brevard County the annual budget and amended budgets within 10 days after the respective adoption date.

704 ***Audit***. The Agency's redevelopment trust fund audit shall be provided as part of a separate financial audit of the Agency in accordance with §163.387(8), Florida Statutes. The Agency's audit will be conducted in conjunction with the City of Melbourne's annual audit by the City's designated independent auditor. The Agency will also include supplementary information to the Agency financial statements that will document capital expenditures incurred, by project, within the fiscal year. A statement of expenditures of the Agency will be included in the annual financial report of the Agency.

705 ***Year end***. In accordance with §163.387(7), Florida Statutes, at the end of the fiscal year any money which remains in the redevelopment trust fund after the payment of authorized expenses shall be

(i) Returned to each taxing authority which paid the increment in the proportion that the amount of the payment of such taxing authority bears to the total amount aid into the trust fund by all taxing authorities that year;
(ii) Used to reduce the amount of any indebtedness to which increment revenues are pledged;

(iii) Deposited into an escrow account for the purpose of later reducing any indebtedness to which increment revenues are pledged; or

(iv) Appropriated to a specific redevelopment project pursuant to the approved community redevelopment plan in effect.

To effectuate this statutory requirement, the Agency will estimate the year-end fund balance prior to the adoption of the next fiscal years' annual budget and any estimated money remaining shall be returned, used, deposited and/or appropriated prior to the last day of the fiscal year in accordance with the requirements detailed above. After the Annual Financial Report is audited, the Agency will amend the allocation if the estimated money remaining is different than the actual money remaining at year-end.

706 ***Investment Policy.*** The governing body of the Agency is the Melbourne City Council and the City manages Agency operations. The Agency is considered a component unit and is blended with the City for financial statement purposes. The redevelopment trust funds are considered Special Revenue Funds in the City's Annual Financial Report. The City's Investment Policy, approved by City Council, states that in accordance with §218.415, Florida Statutes, the investment policy of the City of Melbourne applies to Special Revenue Funds. The redevelopment trust funds are invested along with all of the City's other funds in accordance with the Investment Policy.