



*Minutes
Loxahatchee Groves
Finance Advisory Committee Meeting
October 28, 2009*

Location: Palms West Hospital (Classroom 1)

Members Present:

Lung Chiu (*Chair*)
Cindy Corum (*Committee Member*)
Marge Herzog (*Committee Member*)

Members Absent:

Nancy Handweg (*Committee Member*)
Jim Rockett (*Vice Chairman*)

Others Attending:

Ryan Liang (*Town Councilman – FAAC Committee Liaison*)
Frank R. Spence (*Town Manager*)
Holly Hugdahl (*Finance Director*)
Members of the Public

1.) Opening: Meeting called to order at 7:10 pm by Town Manager Frank Spence.

2.) Roll Call:

Committee members present: Chairman Lung Chiu and Committee Member Cindy Corum

Committee members absent: Vice Chairman Jim Rockett and Committee Members Nancy Handweg and Marge Herzog.

Town Manager, Frank Spence questioned whether we had a quorum and wondered whether Councilman Liang was a voting member or an observing member. (Mr. Liang is Council's liaison – non voting)

Chairman Lung Chiu stated 'We can go ahead and have discussion items and for those that need action, we can wait until we have a quorum to do that.'

3.) Approval of Agenda

Councilman Ryan Liang said 'Vice Chair, Jim Rockett submitted some comments and maybe they could be added at the end of the agenda.'

The agenda was approved as amended with Vice Chairman Jim Rockett's comments being added as agenda item number 13.

4.) Discussion of 8-3-09, 8-21-09, & 8-31-09 2009 FAAC meeting minutes:

Chairman Lung Chiu moved on to approval of previous meeting minutes. Meeting minutes from **August 3, 2009** were reviewed and Mr. Chiu commented that there were items in the minutes which he would classify as "open items" that need to be followed up on so they don't get lost. He recommended we keep a "punch list" of open items. He cited two



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examples: The first was page 6, item e. *(e. Town Clerk Lippman agreed with the assessment and stated that he would get a print out from the Palm Beach County Tax Collector to get the up to date collected revenue and the anticipated revenue by year's end and would update the assumptions accordingly.)*

He also cited page 8, section o. as another item to be followed up on.
(o. Vice Chair Chiu asked that memorandum of understanding be issued to outline the understanding of everyone's responsibility for Disaster Debris Removal.)

Chairman Chiu noted the minutes from the August 21, 2009 FAAC meeting included the revised copy of new Town Manager Frank Spence's contract which was approved by Town Council. (* This meeting was a special meeting exclusively to review the new Town Manager's contract and no actual minutes were included in this agenda pack. However audio of this meeting is posted on the Town website)

Chairman Chiu moved on to the minutes of the **August 31** meeting. He mentioned Page 34, last paragraph; first section F as another open item for the "punch list".
(f. Town Clerk Lippman stated that he understands their concerns and they should recommend to the new management team that the accounting of the revenues be changed to reflect the cash when the revenues are received and be booked in the same month.)

Finance director, Holly Hugdahl said she will not reverse out receivables until year end and stated that what we would see in future would be actual cash receipts and actual cash disbursements.

Chairman Chiu pointed out another item for the "punch list." Page 36, 9, item f. *(f. Town Clerk Lippman indicated that he would update the master list of contracts and ILAs before he left and would be sure that Frank was given the updated form.)* As it appears this was not done, Mr. Spence agreed to do so. Holly Hugdahl mentioned that she had a list of our contractors which had been forwarded to her by NCS and she would make sure it was up to date and organized.

Chairman Chiu noted that Committee Member Cindy Corum had asked that an item be added to tonight's agenda. Item number 7 – 'Monitoring vendor contracts'. Mr. Chiu asked Ms. Corum if her concern had anything to do with what we were discussing now. Ms. Corum stated no. Not exactly to do with a list. Mr. Chiu then presented a contractor spreadsheet from PB School Board as an example of what he had in mind. The spreadsheet listed all contractors, services and commodities, scope of work, deliverables with timelines for payments, beginning and end dates of contracts, etc.

Resident Phil Liang said that this quick reference guide would probably be a lot easier and faster for Holly.

Ms. Corum said 'Actually, if we could just elaborate a little on this, we can probably strike my item 7 off the agenda. I didn't exactly think about a list but this is more or less what I'm talking about. We need a way to monitor the vendor contracts. It seems to me some of our payment schedules have been erroneous. I think it should state in the contracts that vendors get paid when such and such an amount of work is done. Have a deliverables schedule. Services should be delivered before we just cut checks.'

Mrs. Liang said 'This is good and there should be a report so you can see what has been completed.'

Ms. Corum said 'this simple spread sheet is very useful. And we can strike my agenda item 7 from tonight's work.'

Town Manager, Mr. Spence said Vice Chairman Jim Rockett isn't coming tonight and Marge is running late, so we do not have a quorum yet, but we're moving forward anyhow.



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Chairman Chiu said for the record, our Councilman Ron Jarriel and LGWCD Supervisor John Ryan just joined the meeting, so welcome. He stated we are on page 36 of the August 31st minutes. Chairman Chiu gave them a brief update on what the committee had covered up to that point. (punch list and system for monitoring our contracts)

Supervisor, John Ryan stated that we have quite a number of contracts and having them organized on a spreadsheet where you can easily recognize what's going on is very helpful.

Chairman Chiu agreed this spreadsheet would be very helpful to our Town Council to see where we are with our various contracts.

Discussion of minutes was concluded but no vote was taken as the Committee did not yet have a quorum in attendance.

5.) August 2009 Financials:

Town Manager, Frank Spence said originally (previous Town Clerk) Matthew Lippman said he would have August & September financials ready. He has provided August, but Sept will be late because most of the state reporting comes in late. They run almost a month behind. Finance Director Holly Hugdahl concurred.

Supervisor, John Ryan brought up the issue of cash versus accrual basis accounting and making multiple restatements. Mr. Spence informed him we had gone over this and Holly Hugdahl said she understood our concerns and planned to make those accounting changes.

Mr. Ryan inquired about the \$4600 expense for books and publications in the August check register. After some discussion it was determined that the item was misbooked and that part of the \$4600 expense was the matching \$3000 to support the LGWCD's effort to fight legislation concerning numeric water quality standards. It was agreed it should have been classified as a lobbying or legislative expense.

Chairman Chiu asked Ms. Hugdahl to ask Matthew for clarification on franchise fees and state revenue sharing. He said the ending balance plus the month-to-date do not add up to the year to date total.

Chairman Chiu noted 'for the record, the comments we got on the financials were submitted by absent committee member Jim Rockett.' (In a sealed envelope)

Committee Member, Cindy Corum inquired about the monthly maintenance fee for Fuse Dog Media Group. She said I know this expense is for website maintenance. But I always assumed this company was also doing one of those archive programs where our records are stored in cyber-space. I thought I remembered Matthew talking about cyber-storage, but I realized recently when the computer crashed that we don't have that for our Town records. She said I would strongly recommend we look into one of these off site cyber storage companies to protect Town records. They are very reasonable and they do a remote back up of all info on your computer every night.

Councilman Ryan Liang said 'For \$100 bucks you can get a Terra-Byte and it has a huge amount of storage space.' Doreen Baxter and Phil Liang recommended doing two things: Using a cyber storage remote back-up service and also backing up manually as a double precaution. There was a consensus that we should be doing both.



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Ms. Corum questioned the \$315 cost of the Fuse Dog Media website maintenance. She said she thought that might be high as there are companies who will host your website for \$29 per month. Holly Hugdahl said 'it depends what they are doing. This could be your webmaster who is updating things to your website and if that is the case, that is not expensive as often as the Town does updates.' Cindy said 'I always thought Matthew was our webmaster.' Holly said 'We have to look at the contract and see.' It was agreed we would add the item to our "punch-list". We would check the contract and see exactly what we are getting for the money.

Chairman Lung Chiu had a question about check number 2399 issued to Calvin Giordano for \$3527.94 for the FDEP grant application. He asked what the status of the grant was.

Councilman Liang said 'We got denied.' Ms. Corum said 'I think it was about \$7850 and we were not approved for the grant.' Chairman Chiu wondered if next time we could consider grant applications where we pay the grant writer a percentage up to a certain amount and if we get denied we pay no more. Mr. Spence said 'legally I don't think you can do that. We used to pay an hourly rate before they banned it, and then give them 3 or 4 percent if they were successful. Cindy said she had spoken to a grant writer about this and the lady said there are some ethical rules that must be followed. Holly said 'they have gotten very restrictive with regards to grants.'

Councilman Ron Jarriel said he thought there were people out there who will write grants for a percentage and who will also work on an hourly basis.

Supervisor, John Ryan said 'This is where the Finance Advisory Committee comes in, because if I remember correctly that was a hurry-up job and a last minute decision. At that Council meeting we approved \$22,000. One of them was \$14,000 and one was \$8,000. One of those was to get prepared to meet with the County (round-about study) and the other was this FDEP grant application. It was just way too much money on too short notice, and I think that people like the FAAC Committee ought to review those kind of proposals before they get presented on a *we've got to do it tonight basis*.'

Resident Phil Liang said 'The Council should make it a policy.' (Re: no last minute proposals)

This was followed by some discussion about the justification for the round-about study and why the Town needed it.

Chairman Chiu said he felt this should also be considered an open item for Mr. Spence to pursue, and also as a reminder to the Council that something needs to be done. He said 'for sound management, I don't think last minute items should be allowed because number one, the public is not aware when we publish the agenda. And last minute spending money should not be permitted unless it is an emergency.'

Ms. Corum questioned the League of Cities membership fee. Mr. Spence said it goes by population, so we are lucky we are a small Town and large Towns pay much more.

Chairman Chiu said Jim Rockett had a suggestion on the account receivable balance. He said he would like to see a detail for the receivables.

Supervisor, John Ryan mentioned the receivables issue of the \$2000 overpayment to lobbyist Donna Brosemer. He said that I think we required that to be booked into receivables. John suggested that we should have our lawyer draft up a note and Ms. Brosemer should sign it. Then if she doesn't pay it as executed...'

Mr. Spence said his understanding was the Mayor was going to speak with Ms. Brosemer personally before we took any action.



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Mr. John Ryan said he felt Ms. Brosemer should sign a note recognizing her debt.

Discussion of financials was concluded but no vote was taken as the Committee did not yet have a quorum in attendance.

6.) Finance Director Update:

Finance Director Holly Hugdahl said 'At this point until we can really get our hands around everything and we get the first month done, then we can come back and say "OK, these are the issues." The only thing that I looked at is that I may come to you and ask to change some of these account numbers.'

Town Manager, Frank Spence said 'We have already started. I am in the process of simplifying this now and you'll see it in the first statement.'

Ms. Hugdahl explained several different steps she was taking to clarify the financials and make them more user-friendly.

(At this point (approx. 8pm) committee member Marge Herzog entered the room and the committee had a quorum)

Ms. Corum asked about clarifying the five accounts which all read as 'other contractual'. She said when you look at it nobody has a clue what it is. Obviously they are all contracts but we have to try and figure out which is which. Is there a way we could identify them at a glance?'

Mr. Spence recommended doing a glossary or an attachment sheet to the financials with categories.

Ms. Hugdahl suggested assigning numbers to 'other contractual' entries which could then be cross referenced to like numbers on our new contract monitoring spreadsheet. Everyone agreed this was a good solution.

Approval of 8-3-09, 8-21-09, & 8-31-09 FAAC meeting minutes:

As committee member Marge Herzog was not present during discussion of the August 3, 2009 meeting minutes, Chairman Lung explained we had gone through the previous three meeting minutes and asked Mrs. Herzog if she had any comments or corrections to the minutes. Mrs. Herzog said 'No, I was OK with the minutes.'

Chairman Lung asked for a motion to approve the 8-3-09, 8-21-09, & 8-31-09 FAAC meeting minutes as amended.

Cindy Corum made a motion to approve the minutes as amended.

Chairman Chiu passed the gavel and seconded the motion.

Motion to approve the August 2009 FAAC meeting minutes passed 3-0 with Committee members Jim Rockett and Nancy Handweg absent.

Approval of Financials:

As Committee Member, Marge Herzog was not present during discussion of the August financials, Chairman Chiu asked if she had any questions or comments on the August financials. Mrs. Herzog responded 'No, the financials were OK.'

Chairman Lung asked for a motion to approve the financials as amended.



Committee Member Cindy Corum made a motion to approve the August 2009 financials as amended. Chairman Chiu passed the gavel and seconded the motion. Motion to approve August 2009 financials passed 3-0 with Committee members Jim Rockett and Nancy Handweg absent.

7.) Contract Monitoring:

Committee Member, Cindy Corum said we cleared up most of this but sometimes in the contracts I don't see a clear schedule for payments. Sometimes the payments seem random.

Town Manager, Frank Spence said 'No, it's based on progress reports and partial payments. For consulting contracts, they put in progress reports as to work performed and it's proper to pay them for progress reports.'

Ms. Corum said 'I do understand that, but I don't see that defined in some of our contracts.'

Ms. Hugdahl said 'Well I know with Michelle, she gives you certain work products and then she's allowed to receive a certain amount of pay.'

Ms. Corum asked if Holly was referring to Michelle Mellgren. Holly confirmed yes.

Ms. Corum said 'Well, there's a case in point. Let's talk about that one. Our contract with Mellgren was \$67,000 or something? Mr. Spence corrected her it was closer to \$57,000.

Cindy said OK. But I think Michelle Mellgren was paid something like upwards of \$35,000 already and the survey to the residents was not even mailed out yet.

Mr. Spence said he believed it was based on the number of workshops. There were supposed to be four workshops and they've had three already so that would be three quarters.

Ms. Hugdahl said 'and I know Matthew didn't approve one of her payments until he had in hand a certain work product...or a certain amount of work produced.'

Ms. Corum said another case in point is Calvin Giordano's Environmental Code contract. Sondra Lee did certainly do her workshops and we've paid her in full, but we don't have a document in hand.

Mr. Spence said he just received an email from the Vice Mayor to pursue that and to call for a meeting of the stakeholders to continue because there is money left in the contract.

Ms. Corum disagreed. She said they were approved for \$5000 and they have been paid in full. But we agreed to spend another \$1500 for an additional future workshop. Cindy said 'here's the problem I have - would you hire somebody to do a job for you at your home and pay them their five grand before they complete the job?'

Chairman Chiu said by having our new form (Contract Monitoring Spreadsheet) it will tell us when we should pay and when we shouldn't pay. So just having a deliverables schedule for services and commodities should be in here. I hope that Holly and Frank will work up something.

Ms. Corum said 'I just think on future contracts that we sign, we should hold back at least a portion of the money until we have a final product in hand.'



Mr. Spence responded 'Definitely. I've always had retainers.' He said it is actually state law that you cannot advance money until services or the product is received.' And he gave some common examples of the dangers of paying upfront.

Ms. Corum said 'We should try to fix that.'

Mr. Spence said 'Well, it won't happen with me.'

Ms. Hugdahl said 'Frank is real good about not paying ahead.'

Mrs. Herzog said 'Well, what did we leave it as? You're going to review all contracts and come up with the status?'

Mr. Spence and Holly Hugdahl responded 'Yes'.

Ms. Corum showed Mrs. Herzog the example of the contract monitoring spreadsheet brought in by Chairman Chiu which is similar to what will be implemented by Town staff.

8.) RFP for Code Enforcement:

Town Manager, Frank Spence said he made a few adjustments to the original RFP and as he always says it is easier to critique other people's work rather than originally constructing. We are aware of the discussions and what you are looking for, so this is just a starting point.

Chairman Lung Chiu asked if there were any comments.

Committee Member Cindy Corum said 'I've got lots of notes on this one. This is my pet thing. In my opinion, I think we should toss this RFP. I'm not even sure we need an RFP, but OK. When we put out an RFP like this – I talked to other Towns – all you're doing is attracting the big fat companies. If you are just looking for a guy to do the work for you, you don't need to hire a big company and pay them \$60 bucks an hour so they can give the code guy \$20 and pocket \$40. Let's cut out the middle man and just hire the code officer. I think we should use something similar to Frank Schiola's agreement because what the code guy does is not dissimilar from what Frank Schiola does. He's going to go around to different sites, take pictures, make notes and go back and write his report. Frank Schiola has an independent consulting agreement that we've done for him. I spoke to Lee, Town Manager of Mangonia Park and they just gave their code guy a raise from \$15 to \$18 per hour as he received his next level of certification (level 3). He is an independent contractor for the Town like Frank Schiola; he pays his own taxes, gets no benefits and works 10 hours per week max. He has a hold harmless agreement with the Town and they have him covered under their Town liability when he is on duty. I think we could do the exact same thing.'

Finance Director, Holly Hugdahl said 'I need to ask a question in regards to this, because the IRS is on their next go round with City audits. The IRS has in the past, anybody who is hired as a 1099 individual...'

Ms. Corum asked 'Is 1099 what Frank Schiola has as an independent consultant?'

Ms. Hugdahl responded 'Very possibly. The IRS requires them to be on payroll.'

Mr. Spence said 'They may be considered part-time employees. I had to do that with my building inspectors, even though I only utilized them when a building permit was processed on an as-needed basis. Before it was a 1099. These type of



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people who are on call, part time, we always used to pay them as contractors. What we experienced with our building officials is we used to pay them on a 1099, but IRS is now advising that they had to be considered part-time employees. So yes you pay them by the hour, but what IRS is looking at now is the FICA, the match. But it cost us out of our share – we split it 70/30 with the building officials and we had to pay.'

Chairman Lung Chiu said we were getting off the track and he wanted to reach some kind of consensus about sticking with an RFP or shift to what Cindy was suggesting?

Finance Director, Holly Hugdahl said 'We agree with you as far as it's the way to go, the question is how do we structure it? Holly said if it is a corporation, it's not a problem.'

Mr. Spence said 'Jim Rockett brought up the fact at the last meeting that our audit RFP was 26 pages long, when the (LGWC) District's was six pages.'

Ms. Corum said 'The RFP was too long and very confusing because it still has the same goofy stuff talking about we want an hourly rate and then we want a weekly rate...so you know what do we want? It's confusing to anyone reading this.'

Ms. Hugdahl said 'The other way around. You want to have it work for you.'

Ms. Corum said 'We don't need to go out to RFP legally until we cross the \$25,000 threshold and we should not be anywhere close to that with our volume. We averaged about six hours of work lately. Let's say- even if we paid somebody \$30 per hour and they worked two full days a week (or 64 hours a month) the budget would still be \$23,000 per year, under the threshold for an RFP. I don't think we really have the work for two full days a week.'

Mr. Spence said 'Well, everybody says it's going to pick up after the first of the year when you adopt your ULDC's.'

Ms. Corum mentioned there is a Code Enforcement Association and the president of the Palm Beach Chapter said he would be happy to circulate our RFP or ad on their website.

Ms. Hugdahl said 'So in lieu of this kind of a formal RFP, why don't you do we did for the manager of Biscayne Park? A very simple one page RFP – this is what we're looking for. Basically your RFP is your ad. You've got the RFP process, but you place it as an ad.'

There was discussion on if the applicant would have to be a legal entity (corporation, LLC or partnership) Most felt it should be. Marge Herzog said it should meet the legal responsibilities we have with Town.

Chairman Chiu then recommended not using this RFP and coming back with another simplified one so we could fast-track the process. The committee agreed.

Ms. Corum felt the key to any contract would be a seven day cancellation clause. If the caseload increased, we could re-negotiate from a strong position.

Councilman Ryan Liang said 'Correct me if I'm wrong, but one of the things we mentioned in a past meeting is we would forego the hourly once we've adopted our ULDC's.'

Ms. Corum asked 'And change to what? A weekly fee?'



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Councilman Liang said 'I don't remember, I'm just saying I recall we talked about that in one of the meetings.'

Ms. Corum said 'I think it's ridiculous to consider anything but hourly at this point with our low volume. We are always going to benefit by going hourly. If it gets to the point where we have such a heavy workload that we would benefit by changing the system – well then we'll change the system.'

Supervisor, John Ryan pointed out that we may have difficulty finding someone willing to work just a few hours a week. Anyone bidding should know how many hours he can expect to get a week.

Councilman Liang said 'Cindy, also don't forget we are planning to go back to anonymous calls and the volume will go up a lot.'

Ms. Corum said 'Ryan, the reality is we've only had about 100 something calls since the day we became a Town and probably 70% of them were no violation. We don't have that much work here. This guy who works for Mangonia Park is working a max of 10 hours a week. Their budget was \$10,400 for him last year and he processed approx. 800 calls. Frank Schiola, on July 27th visited 18 sites in one day. We're a tiny little Town. We don't have the volume for anything other than an hourly rate.'

Councilman Liang brought up the fact that somebody might not want to get only 3 hours work here.

Ms. Corum said 'Yes, but we should collect up the calls and give somebody a full day of work.'

Chairman Chiu said 'I think we should not micro-manage these things. Also this committee is being treated the same as our Councilman as far as regulations go. I understand that Councilmen should not be lobbied by anyone who plans to do business with the Town, once the RFP is out and they submit their proposals, so we need to be more careful.'

Ms. Corum asked 'What do you mean? Lobbied by the potential employees?'

Chairman Chiu said 'Yes. If we try to go out and solicit proposals, that takes away our independence.'

Ms. Corum said 'I haven't solicited anyone in particular. I have just talked to other Towns to see how they do it and what they pay. And I did talk to the guy who is the head of the Code Association chapter here in PBC, but he is not up for a job. He is just willing to distribute our RFP to his web list.'

Chairman Chiu said 'It's good to do research, but we need to be careful.'

There was discussion on whether to stay with the RFP or make changes to simplify.

Councilman Liang said 'If the FAAC decides to recommend re-doing the RFP, wouldn't the Council have to vote on that?'

Mr. Spence said 'Yes, and Cindy said we are really not in any big hurry now because there's very few calls.'

Councilman Liang suggested going through the RFP and make corrections and possibly bring up the other proposal (a simple ad) at the Town meeting.

There was another discussion of whether the code officer could have a contract similar to Frank Schiola's or if that would open up a can of worms.



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Mr. John Ryan said 'I think what Cindy is talking about is alternative two. But the first alternative is a mock up of this proposed RFP and that's what Council authorized so I think you should go through this.'

Chairman Chiu suggested we walk through the RFP and make changes as needed and make it more meaningful.

Mr. John Ryan said the dates should be pushed out and it was agreed we needed to back it off and give more time.

Ms. Corum said 'We need to add a time certain for the unsealing of bids.'

The committee discussed various details of the contract and John Ryan commented on item 5. He said we want to make people aware that until the ULDC's, it is an hourly rate with a 3 hour minimum and no travel time and then after the ULDC's, it could be an hourly rate but with a fixed two days a week or something like that. We need to give people some guidance.

Resident Doreen Baxter said 'I would say that. I'd say "on call". We have to be honest - if we don't have the work...'

There was more discussion on how many days of work we will have, and if anyone would want to bid on this job if there were not many hours per week.

Councilman Liang suggested that we say the initial contract will be hourly and we will re-negotiate as needed if the workload increases with the adoption of the ULDC.

Ms. Hugdahl said 'Change paragraph 5. Simplify it to basically read hourly with a 3 hour minimum. And we may renegotiate the contract upon the adoption of the ULDC.'

Councilman Ron Jarriel said 'There are class 3 code officers out there that are not working 40 hours a week, and what we agreed as a Council was that we would build up the cases.'

And I guarantee you they can work their schedule where Thursday, or such and such a date, they'll be going to Loxahatchee Groves because we have eight cases that are open. Now it's not that these people are going to bid for future work. In other words they're going to bid for an hourly rate and they should be flexible. And we agree that we will give them notice. But now for an emergency situation, if we have a list of available code officers, we can go down the list and I guarantee you one of them will be available. So that's no problem.'

The final consensus was to delete item 5 in the RFP and use Holly's recommended wording.

There was more discussion on the details of the contract and what the different certification levels mean. It was decided the RFP should state that level one was required, and the other levels were desirable, but not mandatory. It was also decided that the date should be pushed back on the RFP.

Councilman Ron Jarriel said that 'It doesn't matter whether we get responses from a firm or an individual. A firm is not going to give a rate the same as an individual is. If a firm comes in at \$50 an hour, and you've got a qualified guy who's going to do it for \$25, then you should know that a firm is involved and they're a middleman.'

Committee Member, Marge Herzog said 'the only thing is though, if you're going to be mixing firms and individual little self-proprietors, those little self-proprietors are not going to do their dog and pony the show the same way that a big corporation is and it could sway...'



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Cindy Corum said 'Oh, that's going to be a relief... I'm kind of tired of the dog and pony shows.'

Councilman Jarriel said 'I'm not looking for a show. I'm looking at what it's going to cost us and is the person qualified. We've been looking at enough dog and pony shows.'

There was then discussion of the part of the RFP that stated *Town Council will direct the Town attorney to negotiate the employment agreement.*

Finance Director, Holly Hugdahl suggested we do as Miami Shores does. She writes the contracts herself and all they do is submit the final negotiated contract to the Town attorney for his blessing. It was agreed upon it would be better for our Town Manager to negotiate the contract and then bring it to the FAAC for review. And the attorney should just check it for legalities at the end. Chairman Chiu said he felt all Town contracts should be done this way. He said the attorney should only review contracts for legality and form, not to negotiate how we do business. They have been doing that for us and we have been paying big bucks and I think that should be stopped. That portion should be Mr. Spence's jurisdiction.

Ms. Corum mentioned that the law firm billed us no less than 15 separate times to review and revise Mr. Spence's Town Management contract. She said 'see it gets out of hand.'

Mr. Spence said 'yes, and we did it ourselves in one night.'

There was some other discussion about contracts in general.

Chairman Chiu recommended adding a paragraph in the RFP under section III (requirements for responses) to clarify if the firm or individual was involved in any ongoing litigation or other regulatory action. He also suggested under 4, a. it should state the FAAC will evaluate and short-list responses by ranking and make recommendations to Town Council.

There was discussion of revising the insurance requirements in the RFP.

Resident Doreen Baxter said 'we shouldn't really be concerned about anything except liability.' Mr. Spence agreed that only liability and a hold harmless agreement were necessary. Mr. Spence said what insurance the individual or firm had was their own responsibility. John Ryan felt that technically the Town was directing the code officer and if he did not pay for Worker's Comp insurance, we could get on the wrong side of a lawsuit. Ms. Hugdahl said 'if it is an individual and if they don't have employees, there is no requirement for Worker's Comp.' Mr. Ryan felt if they were acting on behalf of the Town, it could get sticky. He said the applicant should be incorporated. Holly said we should check with FMIT and see what kind of coverage we have for our contractors under FMIT, because they cover a lot of these instances and it may only be a matter of making a phone call to establish how we cover our contractors. Mr. Ryan suggested asking our insurance broker and maybe asking the Town lawyer to clarify these issues.

9.) 22nd Road North Discussion

The discussion was whether the Town should accept the parcel being offered for free from the County. Talking points were: What could it be used for? Upgrade costs? Maintenance expenses? Who would do the maintenance? Liability? Survey? Taxes on the parcel? (none)



Councilman Ron Jarriel spoke in favor of accepting the parcel and creating better drainage for all the families living on the road east of said parcel. He said he was waiting for County Commissioner, Jess Santamaria's office to get back to him with more details and he hoped the County would share in the costs of bringing the property, road and swale up to snuff on drainage etc.

There was discussion on the details of how it might be maintained in future with the LGWCD performing the maintenance and the Town reimbursing them for the expense.

Councilman Ryan Liang suggested that maybe in future the 11,000 square foot lot which is off the road could become a community garden.

The FAAC agreed to support the idea in theory if the details could be well worked out.

10.) Traffic Fine Revenue:

The discussion was in relation to questions Committee Member, Cindy Corum had about revenue from traffic tickets issued within the Town's borders. It was established that the system was never set up by previous Town staff. It was decided Town Manager, Frank Spence should follow up on this so we can get our revenues from PBSO going forward.

11.) Tabletop Exercise for Emergency Management:

This was basically an update. Town Manager Frank Spence said the Johnson's (heads of our CERT Team) had been out of town, so this still needed to be scheduled. Mr. Spence said one of the Johnsons came back to town today and the other was still out of town. Ms. Corum mentioned she had seen Ken at Publix, so he was the one who was back. Supervisor, John Ryan said we should ask Calvin Giordano and Ashbritt to attend the exercise and hopefully they would not charge the Town. Mrs. Herzog said they were going to come to the December Landowners meeting and do a Power Point presentation with everything the company has to offer for any municipality that they're contracted with.

12.) Donna Brosemer Collection:

Town Manager, Frank Spence said as per our earlier discussion, our Mayor is going to talk with Ms. Brosemer after November 1st, before any serious action or letters are taken/sent.

(* Note: Earlier the Vice Mayor was referred to in relationship to this task)

Supervisor, John Ryan said: 'Just one suggestion. I think that rather than just having the Mayor say you know, this is an issue or we are going to take some action...I think a real simple action is to ask her to sign a note with a definite due date. And that kinds of keeps us from being in this limbo where she's going to pay whenever she gets enough money. Because that's ridiculous. You know, we overpaid her and she is not poor by any means. I think to have the basis for a judgment and a lien; we need to get her to sign a note for the \$2000 with a date certain for repayment. That lets somebody know that this is getting to be an issue and we're not going to just ride along with her sending in a note saying "well, I can't do it this time, but maybe six months from now or something..."'

Committee Member, Cindy Corum agreed and said 'Yeah, well that's also not so harsh as taking that step of legal action.'

Resident Phil Liang said 'Do you think talking to her will help?'

Mr. Spence responded 'Well, that's what the Mayor is going to do. So let the Mayor do his job.'



Resident Doreen Baxter asked if the Mayor had a time track for when he is going to do this.

Mr. Spence said he will remind him.

Councilman Ron Jarriel said 'Out of respect for the Mayor, if he is requesting that I agree with that, but at the same time you could go ahead and draft this letter up. There's no reason why you couldn't go ahead and prepare it and if the Mayor does get a good response, he's probably going to want you to go ahead and forward this letter.'

Mr. John Ryan said 'But the letter is not a demand. It is just a note. We don't really want to alienate her.'

At the end of discussion, there was a consensus, but no action was taken.

13.) Vice Chairman Jim Rockett's Comments & Suggestions:

Chairman Lung Chiu said Vice Chairman, Jim Rockett has submitted two pages of comments and also some suggestions for us to consider and for Mr. Spence to consider. One was the sentiment that Committee members may not have enough time to review the agenda packet to have fruitful discussion and he hoped to have the FAAC agenda packet ready one calendar week prior to the meetings.

Committee member, Cindy Corum agreed it was a lot of material to read through in a short time.

Councilman Ryan Liang said 'I think his suggestion was to send out the information as soon as possible and then a finalized agenda could be done whenever, but he'd like to have the information as early as possible.'

Town Manager, Frank Spence said they tried to get out the Council's agenda out early too, but this past week the computer crashed and that caused a back-up. And in case any of you do not know, Michelle Kantor has submitted her resignation effective this Friday. She will do extra work on an hourly basis and she has made a commitment to finish up all the minutes that she hasn't done.'

Ms. Corum remarked that even the Council getting their agenda on Friday doesn't give them much time to review before the meetings on Tuesday.

Mr. Spence said 'Well, I hope to end that. I just think 200 page agendas are ridiculous.'

Resident Phil Liang suggested we should think about double-siding the agenda packs so at least they won't be so cumbersome.

Mr. Spence said 'We want to get the information out as early as possible and certainly any documents and financials which are important and require study and review ahead of time.'

Chairman Chiu said he thought we should be flexible at least now as Mr. Spence may not have a critical staff in the meantime. He said this is just something for you to consider.

Mr. Spence explained that what we also face is that we have last minute additions of things and now we're under instructions to send the preliminary Council meeting agendas to the attorney on Mondays prior to the meeting week. And



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then he reviews and critiques it to see what's missing and makes suggestions and then we work from that. And preparing the back-up documentation, that's what takes a little bit longer.

Chairman Chiu said 'Just see what you can do on this. This is not set in stone.'

Committee Member, Marge Herzog said 'A lot of the problem is that we are having our FAAC meetings really close to the Council meeting so that really impacts the office because it's two agendas.'

Mrs. Herzog asked 'So what is in place to fill in the gap for Michelle?'

Mr. Spence said 'We are looking for someone.'

Finance Director, Holly Hugdahl said 'Well, we have Ann and she is there 3 days a week and she is a certified Clerk.'

Resident Doreen Baxter asked 'Do we really need a Clerk? Couldn't we just get a secretary?'

Mr. Spence said 'Well, I need a Clerk. I mean Ann is the Clerk in house but I need more help.'

Ms. Baxter asked 'But couldn't Ann be the Clerk part time?'

Mr. Spence responded 'Yes. She could be, but she wants to remain part time.'

Ms. Baxter asked 'Do you need a full time Clerk?'

Mr. Spence responded 'No'.

Ms. Corum asked if there was a law that you have to have a full time Clerk.

Mr. Spence responded 'No'.

Chairman Chiu asked if the Town would get a credit in Michelle's absence because he would consider her an integral part of the contract, and if in the meantime Mr. Spence hired someone to fill the gap, they may not be 100% like Michelle performed. So would we get a credit from you?

Mr. Spence said 'The answer is no, but I think it is written in my contract that anyone I hire in a full time position has to be either subject to Council's approval or I run it by them.'

Chairman Chiu said if I buy a car with the options, I don't want you to give me another car with other options later on. It's like if I'm buying a Corvette and you give me a Chevette, it's not the same.'

Mrs. Herzog said 'Well because Michelle had like a \$54,000 salary and if we're going to hire a part time person for say, \$20,000, you know what happens to the other \$30,000 that you're not using?'

Ms. Corum said 'I say if he can get the work done and he's doing a good job, what does in matter? The salaries are at his discretion.'

Chairman Chiu disagreed.



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Mr. Spence said 'The RFP was based upon the fact the Council wanted full time employees. And so that's why in my proposal I showed 40 hours for me, 40 hours for the Town Clerk, who at the time was Michelle, and 20 hours for Ann. I didn't list salaries in my proposal. I just gave a lump sum with these number of hours being performed and the duties that were specified. It's a package deal.'

Councilman Jarriel said 'I realize you have a contract, in other words basically you the one that hires the people. But as a Councilmember, I believe Michelle was making what \$54,000? (Spence replied 'Yes') What I expect in the future is for \$54,000 some Clerks out there are better than Town Managers and for that money, I expect a real good Clerk. Ron said he considered Matthew an outstanding Clerk because he was good with computers and was good with people and worked well with the County. Just as a Councilman, I expect we should get somebody outstanding.

Mr. Spence said 'As I said the salaries weren't involved in my contract, but the number of hours were involved. And I guess you know the salaries. However, mine as the president is not listed in there. I really get what's left at the end of the contract. All expenses are mine and all the insurance and everything else. And I have the business expenses too. But the part of the contract that whomever I hire – since it's a substitution – we'd have to go back before the Council anyhow.

Ms. Corum said 'I don't get the logic of that. I thought we paid you and as long as you give us a 40 hour a week Clerk, I thought the salary was up to you.

Chairman Chiu disagreed. He said 'It's not the same.'

Ms. Corum said, 'But salaries are not in the contract, it's a package deal.'

Chairman Chiu said I think he is obligated, if there are any changes, he would have to get an endorsement from Council.

Mr. Spence disagreed. 'He said 'If my duties and responsibilities are performed, that's what my contract calls for. As well as the hours. But the breakdown of salaries and benefits is not in the contract.'

Chairman Chiu said 'I think maybe we better let the lawyer handle it. Because I remember everybody loved Michelle. Everybody wanted her. I want to make sure we have the same qualified...'

Ms. Baxter said 'Well I think we thought she would be good for the transition.'

Mr. John Ryan said 'Let me just tell you what we did from the standpoint of the District bid. (For Management services) In our proposal to the Town, we recognized that there was a paragraph in there that said - you know - considering hiring Michelle. We really didn't think that Michelle was worth \$57 or \$60 thousand dollars. So what we told the Town was... in our proposal we were going to allow \$60,000 for the Town Clerk, but it was going to be up to the Town to hire whomever they hired and they could adjust payments to us to based on the fact that that we were allowing them \$60,000 for salary and benefits. Now I think that coincides with what Frank says because he did that function as a 40 hour function, and if he can could get someone to work for \$40,000 to do a 40 hour a week job, that gave him the incentive to maybe supplement her a little bit more. The theory was I think that \$60,000, you get a top-notch Clerk and that takes the burden off of Frank. If he's willing to hire a \$40,000 Clerk who can't do quite as much, then he has to do extra to supplement and satisfy the Town, well that's just the way his contract works.



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Ms. Hugdahl said 'One of the things that I think is really important to understand is that Ann, who is your Deputy Clerk, is retired from Hallandale. She is a certified Clerk with over 30 year's experience. So you have as your Deputy Clerk – an incredible Clerk. She just doesn't want to work full time.

Chairman Chiu and Ms. Corum both said 'So call her the Clerk and hire a Deputy Clerk.'

Ms. Hugdahl said it might even be better to have two part time Clerks and another part time secretarial position so there is a lot of flexibility. That may be a better way to do it.

Mr. Spence said he already has the word out to the network of Clerks. He knows the president of the Clerk's association.

Chairman Chiu moved on to Vice Chairman Jim Rockett's other comments. He brought Staff reviewing the financials and maybe up highlighting things that were exceptional or unusual.

Mrs. Phil Liang said basically I think what Jim meant was - as an example, highlighting the bottom lines of the financials so we can easily see where they match up or don't. That sort of thing.

Chairman Chiu said 'We actually had problems because Matt made a lot of mistakes and these mistakes were not corrected.'

Ms. Hugdahl mentioned she liked doing the financials reports in Excel because it was so user-friendly.

14.) New Business and Public Comments:

Town Manager, Frank Spence mentioned that the adjacent office to the Town office was recently vacated by the Farm Bureau. This office space is nicer than our Town office space for the same rental price. He also said the County is going to be giving the Town a large amount of public records and the back office has some Cert materials stored there. So Mr. Spence said he would like to move into the new office and retain the rooms we have now - basically renting both sides.

Committee Member Cindy Corum said "Well you are talking about doubling your office size, so wouldn't the price basically double then?"

Mr. Spence responded 'Yes.'

Resident Phil Liang asked about the County keeping the physical records as she remembered Matthew negotiating something like that. Councilman Liang said 'He never said that for sure. He said he was going to look into it.'

Committee Member Marge Herzog said the County won't store them.

Councilman Ryan Liang mentioned 'Iron Mountain' which Matthew had spoken about. Frank Spence said Iron Mountain was physical storage that was highly secure. Holly said police departments use it.

Resident Doreen Baxter asked if these documents would be protected. She used fire as example.

Councilman Liang said it would be a big job, but we could scan them into a Terra-Byte hard drive if we were concerned with preserving the records.



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Ms. Hugdahl said that would be very costly in manual labor.

Town Manager, Frank Spence said we are talking about all the records for all 3000 residents.

Committee Member Marge Herzog said when Wellington became a city, there was a big truck from County that arrived at their door.

Chairman Chiu called for order and said 'We are getting in the bushes and it's getting late now.'

Ms. Baxter asked about our Town getting a rebate for recyclables similar to the traffic fines. She said she thought she remembered that in the ILA with the County.

Mr. Spence said he thought the hauler gets the credit for that. And most places do not give money back for recycling. You may get credits back, but usually not money.

Chairman Chiu suggested we research this item.

Mrs. Herzog apologized for being late but explained she was tied up at the American Legion.

Ms. Corum asked if we had a lot of responses to the RFP for auditor and Mr. Spence responded no. Holly explained most companies put their bids in at the very last minute as they do not want other companies to know they are bidding. So we probably won't see anything until the Monday deadline.

Mr. John Ryan asked about the 200 page Ashbritt contract that allegedly crashed the Town Computer. He said nobody has ever seen that. Holly said she thought it was more or less a list of the services they offered and Marge Herzog concurred. John offered to read through the 200 pages and check it out.

Councilman Jarriel commented everyone was doing a good job and he appreciated it. He said the FAAC makes it easier on the Council, plus it helps them to do a better job.

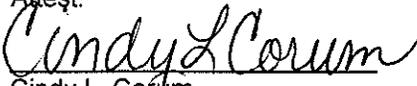
Committee Member Marge Herzog said 'Having been on both side of that coin I have to agree with Ron. By being a part of this group, it gives you a lot more insight as to what decision I may have made...you know based on more information.'

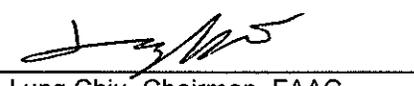
Chairman Chiu called for a motion to adjourn and Committee member Marge Herzog made the motion. Seconded by Committee member Cindy Corum.

Motion passed 3-0 with Committee members Jim Rockett and Nancy Handweg absent.

Meeting was adjourned at approx. 9:25 pm.

Attest:


Cindy L. Corum


Lung Chiu, Chairman, FAAC

Date Approved:

1-13-10