

**Members Present:**

Lung Chiu (*Chairman*)  
Elise Ryan (*Vice Chair*)  
Bridgette Subramanya (*Committee Member*)  
Marge Herzog (*Committee Member*)  
Cheryl Miller (*Committee Member*)

**Others Attending:**

Frank Spence, Town Manager  
Holly Hugdahl, Finance Director  
Cindy Corum, Assistant Town Clerk

**Absent:**

Councilman Ryan Liang (*Town Councilman - FAAC Liaison*)

**Members of the Public Attending:**

Vice Mayor Dennis Lipp, Doreen Baxter, Councilman Jim Rockett, Councilman Ron Jarriel,  
LGWCD Supervisor John Ryan

**1. Opening**

Town Manager Frank Spence called the meeting to order at 7:05 pm

**2. Roll Call**

Roll call was taken by Town Manager Frank Spence and all members were present.

**3. Approval of Agenda**

***MOTION: Committee Member Marge Herzog made a motion to approve the agenda, seconded by Committee Member Cheryl Miller. Motion passed 5-0.***

**4. Approval of June 9, 2010 Meeting Minutes**

***MOTION: Committee Member Marge Herzog made a motion to approve the minutes, seconded by Cheryl Miller.***

Chairman Chiu asked that the minutes be revised to reflect Vice Chair Ryan presided over the June meeting in his absence.

***Minutes approved as amended; Motion passed 5-0.***

**Approval of July 28, 2010 Meeting Minutes**

***MOTION: Committee Member Marge Herzog made a motion to approve the minutes, seconded by Cheryl Miller.*** Chairman Chiu said his recommendation was that the Council should start the process of annual review of Town Manager's *performance* as opposed to annual review of the Town Manager's *contract*.

***Minutes approved as amended; Motion passed 5-0.***

**5. Approval of July Financials**

Mr. Spence said the Town had exceeded its estimated revenues as revenues were already at 106% nine months into the fiscal year. He said expenditures were only at 63%, so the Town was in good financial shape. Vice Chair Elise Ryan said State Revenue sharing seemed to be far below budget. Holly Hugdahl said State Revenue generally runs short, and then they do a catch-up or "true up". She said it was more of a timing issue than anything else.

Mrs. Ryan asked about a planning & zoning check which had been issued to Calvin-Giordano (CGA) for over \$7000. She wondered which contract the check was for. She asked that P&Z checks be identified on future financial statements as to which contract the payment was for. Assistant Clerk Cindy Corum said it was the final payment for the last CGA study (Okeechobee Roundabout Study) and we should not see any more CGA mystery payments in future. Mrs. Hugdahl said the only open contract left was the Mellgren contract. Mr. Spence pointed out that CGA was still working on multiple developers' projects and that the Finance Director had set up different account numbers to make sure the developers' (escrow accounts) were being charged back properly. Marge Herzog asked about the FY 2009 budget discrepancy between the anticipated revenue for water utilities and the actual revenue received. Ms. Corum explained that it appeared previous staff had somehow grossly overestimated the revenue, as the Town had actually only received 10% of the anticipated revenue. Mrs. Ryan asked if we knew what the water utility fee was for, and are we sure we are collecting the correct amount. Ms. Corum responded it was the franchise fee the Town receives when residents hook up to County water, and as the hook-ups were very limited the revenues were low. Mrs. Hugdahl confirmed the number had been adjusted in the upcoming FY 2010 budget.

***MOTION: Marge Herzog made a motion to approve the July 2010 Financials, seconded by Cheryl Miller; Motion passed 5-0***

#### **6. Management Letter in Response to Audit**

Mr. Spence said he had sent early copies of his "Management Response to the Auditor" letter to the Council and FAAC Committee members. He said the formal presentation would be at the next FAAC meeting. Mrs. Hugdahl said the new 'Policies and Procedures' manual would be done before the end of the calendar year. Mrs. Ryan asked about the timeline for getting the P&P manual approved. Mr. Spence said the approval needed to come from Council. Mrs. Hugdahl suggested getting the existing manual approved by Council with the understanding that it would come back to them shortly with modifications and changes. Chairman Chiu said he felt it was better to wait and get the (refined) manual approved with input from the Finance Director. Mrs. Hugdahl said she was waiting for certain statistics and information from County. She said she had calls into County but was not getting calls back. Mrs. Ryan offered to try and help with contact information of someone she had personally dealt with at County who had been helpful.

#### **7. Posting Financial Info to Website**

Vice Chair Elise Ryan presented a list of documents she thought would be good to add to the Town website. Items were:  
P&L and Balance sheet with current month and year to date; Income statements; Current FY budget; Past FY Budget; Town Manager's Budget Explanations; Auditor's Report; Last two years Town CAFR; Rules of the Auditor General; Contract monitoring spreadsheet with links to PDF versions of all current Town contracts in their entirety; Accounting Policies & Procedures Manual; Banking Authorization Resolution; Investment Policy Resolution; Procurement Policy Ordinance; Resolution establishing FAAC Committee; Florida Single Audit Act (FS 215.97); Requirement to have an Annual Audit (FS 218.39) with links to relevant Florida Statutes. Mrs. Ryan suggested Committee members come up with a more complete list to hand off to Staff of documents they wished to see posted on the new webpage.

Councilman Liang said posting all that information was a big project that would take time. Ms. Corum said she would have to recruit both the webmaster and the local IT youth the Town sometimes employs to help with this project. Mrs. Ryan said it was not a rush project. Councilman Liang suggested the Committee think about which documents were most important. Committee member Cheryl Miller felt the expired contracts should also be kept on the website in a separate archive folder.

Ms. Corum asked for the Committee's direction as to which contracts (current or inactive) should be posted. Consensus was to focus on open active contracts only for the time being. Ms. Corum asked the Committee to prioritize between the Town newsletter and creating the new financial webpage. The consensus of the Committee was the newsletter should be the first project.

#### **8. Franchise Fees for Commercial Dumpsters**

Mr. Spence said Staff was going forward with research on levying franchise fees for dumpsters. He said he had consulted with the Town's lawyer and this needed to be done by either Resolution or Ordinance. He said his intent was to get Council approval and possibly make it part of the upcoming budget so it would become effective October 1<sup>st</sup>. Cindy Corum said she had done some research and each municipality handled it differently. Some cities did it by Reso and some by Ordinance. Other towns such as Wellington simply imposed a straight annual permit fee (\$600) for each dumpster vendor that did business within the municipal limits, without bothering with percentage of revenues as those numbers were hard to verify anyway.

Doreen Baxter said she was going through the Town's sanitation assessment list parcel by parcel but we do not actually know who has a dumpster. She wondered if we could, or should, ask these contractors for a list of where they are putting their dumpsters. This way she could determine if parcels which do not pay the residential assessment, were paying for dumpsters - or just putting their waste to the street and getting it picked up for free. She said she was trying to fill in some of those gaps for parcels she knew were not paying Waste-Pro but obviously had businesses and activity on the property as seen by the aerial photos on the PBC Property Appraiser's website. Holly Hugdahl explained how the system worked in Biscayne Park and how revenues were tracked there. Mrs. Ryan said that she thought the current contract with Waste-Pro gave them the exclusive on dumpsters, but many different dumpster contractors actually had their equipment in the Town. Lung Chiu said he would recommend leaving it to the Town Manager to move ahead and to make sure we get all the money that the Town may be entitled to.

#### **9. Master Contract List Spreadsheet**

The Master Contract List was reviewed. Chairman Chiu said he did not like the word "indefinite" in describing the term of the Town Manager's contract. Mr. Spence explained there was no renewal date per say. He said his contract was continuous, but could be terminated at any time by either party with written notice. After discussion, it was suggested to remove the word "indefinite" from the Spreadsheet and replace it with better verbiage.

#### **10. FAAC Punch List**

Chairman Chiu said to please add the above word change to the Punch List.

Cindy Corum said our contract with the County for Planning & Zoning building permits was automatically renewed each year unless County gave a 60 written termination notice. Mr. Spence commented that he was very happy about this as he did not relish the idea of instituting a building department.

Discussion ensued about the Emergency Line of Credit Mr. Spence had been asked to look into. Mr. Spence said he had spoken with Dane Sheldon, Senior Vice President of Governmental Accounts at Wachovia Bank and Mr. Sheldon recommended against the line of credit because of the annual fees incurred. Mr. Sheldon said a credit line could be made available quite quickly after a hurricane and most governments went this route. Loxahatchee Groves Water Control District treasurer John Ryan voiced the opinion that he felt it was better to have a credit line in place before an emergency.

Mr. Ryan said the LGWCD had a \$500,000 emergency line of credit. He also noted there was a significant difference between the LGWCD's reserve funds and the Town's – with the Town maintaining a much larger reserve buffer.

Elise Ryan thought SWA could tell us how much debris they removed during the 2004 and 2005 hurricanes. Cindy Corum wondered if Loxahatchee Groves' debris had been accounted for separately from greater Loxahatchee as the Town did not exist in 2004. Committee member Bridgette Subramanya said the bank would probably want proof of a certain amount of reserves and asked that we find out what that requirement might be. Mr. Ryan said he believed that the FEMA claims processed by the LGWCD were less than \$2,000,000. Councilman Jarriel wondered if maybe the fees for a line of credit could be negotiated with the bank. Mr. Spence said he would research further.

Chairman Chiu asked about prequalifying firms for engineering. Mr. Spence said that while this was unnecessary when the subject was brought up back in March, now it may be relevant. He said we may need to hire our own engineer now as we take over non District roads and easements. The item was to be added back onto the Punch List.

Mrs. Ryan asked that dates be added to the Punch List to designate when items were completed.

#### **11. Town Council Bucket List**

Chairman Chiu had asked for the Town Council's Bucket list to be included in the FAAC agenda pack. He said he wondered why the Town Council Bucket List did not use the same format as the FAAC Punch List. Mr. Spence said the Council wanted him to focus on just five projects at a time, but he could have the Bucket List revised to follow the same format as the Punch List spreadsheet.

#### **12. Town's Code of Ethics; as related to Advisory Board Members**

Chairman Chiu said he had put this item on the agenda at the request of Doreen Baxter. He said the Finance Committee is a conduit for the citizens and he asked Ms. Baxter to proceed so we could have a healthy discussion. Ms. Baxter said the Town of Loxahatchee Groves has a Code of Ethics which applies to both elected Town Council Members and appointed Advisory Committee Members alike. She said our Ordinance (2009-01) had a section (Sec. 1-23) which stated all public officers are "strongly encouraged to submit a signed statement to be provided by the Town Clerk acknowledging that they have received, read, understand, and agree to be bound by the Town of Loxahatchee Groves Code of Ethics for Public Officers." She said she was not sure if that had been done with any of the new Council members or the FAAC members, but she felt that it should be done. She said that she had also highlighted several areas which she felt were pertinent. She referred to:

*Sec. 1-25 4(g) Each public officer pledges that he or she will not misuse the office or position, will not participate in debate on any matter which may come before the Town Council for decision and which may benefit a family member, client, or business acquaintance, and will not seek or accept any personal profit or gain, or unwarranted favor or privilege for himself or herself, or any relative or other person.*

*Sec. 1-25 4(h) Each public officer pledges not to improperly influence or attempt to influence other public officers.*

*Sec. 1-25 4(j) ... Each public officer shall not have any contact with, in any form, nor engage in communication or discussion with applicants, petitioners, or their agents or representatives seeking action or other relief from the Town Council on matters related to a pending application or other petition.*

Ms. Baxter suggested she thought it would be beneficial for all Councilpersons to attend the League of Cities sponsored weekend instructional course for newly elected officials. Mrs. Herzog mentioned that she completed the advanced course when she sat on Council, and so had Vice Mayor Lipp. Ms. Baxter mentioned that the Town would pay expenses for the course. Holly Hugdahl noted Town Attorneys are qualified to do presentations on the Sunshine Law and Ethics Code and could do so at a Town Meeting. Lung Chiu asked Mr. Spence to find out which Council members had not attended the course and suggested Mr. Spence should make them aware of the options for the next scheduled course offerings. Mr. Spence said he had just recently sent an email to all Councilmen notifying them that the next LOC 'Newly Elected Officials' course was coming up in October.

Doreen Baxter said she thought each public officer should read and sign the acknowledgement as outlined in Sec. 1-23 in the Town's Ethics Code. Councilman Rockett pointed out that our Ethics Code Ordinance does not require anyone to sign the acknowledgement, but only "*strongly encouraged*" it. Ms. Baxter said she felt it should be part of Town Policy that new public officers be required to sign the acknowledgement and attend the LOC sponsored program within the first year.

Chairman Chiu asked Ms. Corum to include the Town's Code of Ethics Ordinance to the documents to be added to the new web page and thanked Ms. Baxter for bringing the subject to the attention of the Committee.

**13. Administrative Update**

No additional updates

**14. Addendum Items**

None

**15. New Business**

None

**16. Setting of Next Meeting Time and Date**

Next meeting was set for Monday, September 27, 2010 at 7pm.

**17. Committee & Public Comments**

Councilman Jarriel said he was always interested in getting educated and he had taken classes on ethics previously. He said he felt basically "If it's something you would not do in front of your mother – chances are it's unethical."

John Ryan said "One of the advantages of living and operating in Florida is the Sunshine Law, and as long as people disclose what they're doing and deal basically with facts – everybody benefits from that."

Councilman Liang said he had not gone to the seminars Dennis Lipp or Marge Herzog had, but he did attend quite a few workshops in the past year with the League of Cities. He said "Basically if you just try to be honest and open about everything, most of the time you're in the clear."

Marge Herzog said "The course that the League of Cities offers newly elected officials covers much more than just the ethics. They get into the finances, protocols, different ways to run committees, etc." She said it was really intense but worthwhile.

Councilman Rockett said that the financial pages in the agenda packs always came to him in landscape form instead of portrait and it made it difficult to read without leaning his head sideways. Cindy Corum said the financial pages came to her that way, and although she could rotate them on screen, they would not save that way. Doreen Baxter suggested to Mrs. Hugdahl that she print out the PDFs first and then scan them in the opposite direction. Mrs. Hugdahl said she thought they may be too small to read.

**MOTION: Motion to adjourn was made by Mrs. Herzog; seconded by Cheryl Miller.  
Motion passed 5-0. Meeting adjourned at 8:55pm**

ATTEST:

Cindy L. Corum  
Cindy Lou Corum, Asst. Town Clerk

Lung Chiu  
Lung Chiu, Chairman, FAAC Cmte

9-27-2010  
Date Approved by Cmte

2/24/2011  
Date Signed