

**Members Present:**

Elise Ryan (*Vice Chair*)  
Bridgette Subramanya (*Committee Member*)  
Cheryl Miller (*Committee Member*)

**Others Attending:**

Councilman Ryan Liang (*Town Councilman - FAAC Liaison*)  
Frank Spence, Town Manager  
Holly Hugdahl, Finance Director – (*arrived 7:25*)  
Cindy Corum, Assistant Town Clerk

**Absent:**

Lung Chiu (*Chairman*)  
Marge Herzog (*Committee Member*)

**Members of the Public Attending:**

Vice Mayor Dennis Lipp, resident Doreen Baxter, Councilman Jim Rockett, LGWCD Supervisor John Ryan, Waste Monitor Frank Schiola

**1. Opening**

The meeting was called to order by Town Manager Frank Spence at 7:10 pm

**2. Roll Call**

Roll call was taken by Town Manager Frank Spence and a quorum was met.

**3. Approval of Agenda**

***MOTION: Committee Member Cheryl Miller made a motion to approve the agenda; seconded by Committee Member Bridgette Subramanya. Motion passed 3-0.***

**4. Approval of October 25, 2010 FAAC Meeting Minutes**

***MOTION: Cheryl Miller made a motion to approve the October 2010 meeting minutes; seconded by Bridgette Subramanya. Discussion followed.***

Vice Chair Elise Ryan asked that the word "audit" be deleted from Finance Director Holly Hugdahl's statement: "She said there will be another set of September financials which will include all of the year-end audit adjustments." Town Manager Frank Spence agreed that the word audit was probably spoken in error and should be deleted. Mrs. Ryan said she had some wording she would like to insert into the minutes right after "...staff would research the charge..." in the 'September Financials' section of the October 25<sup>th</sup> meeting minutes. She said "There were a couple of items that I hadn't mentioned that needed to be investigated." Mr. Spence asked Mrs. Ryan if she was adding something or correcting something that actually was said. Mrs. Ryan responded "I did say it in the meeting and I just want to add it to the minutes, so we can follow up on it so it won't get lost. No, I'm not adding anything." Assistant Clerk Cindy Corum asked: "Was it something that you said on the audio?" Mrs. Ryan responded yes.

Mrs. Ryan read the text aloud to the Committee: *"Elise Ryan requested that two checks written to Calvin-Giordano for (\$1750 and \$1196) be investigated to determine whether they should be charged to the land use applicant's accounts; and number two – that staff verify whether \$36,709 charged to the 5 cent gas tax was charged correctly."* Mrs. Ryan handed the Assistant Clerk a paper with the handwritten text to be inserted into the October minutes. Mr. Spence asked for some clarification on the two Calvin Giordano checks she had mentioned and Mrs. Ryan explained the different items she felt needed to be researched and/or corrected. Ms. Corum said she would add those items to the Punch List.

Loxahatchee Groves Water Control Supervisor John Ryan also gave the Assistant Clerk a handwritten paragraph which he requested be inserted after *"...apples to apples"* in the 'Town's Bid Procurement Policy' section of the October minutes. He said it was "a summary of the discussion I had after the 'apples to apples'...just to explain that a little bit more, but it does tie back to the verbal discussion at the meeting."

In the 'Field Monitor's Invoices' section of the October minutes, Mrs. Ryan asked that the words: "filling out paperwork" be deleted from Vice Mayor Lipp's statement *"it seems to me that filling out paperwork would be cost of doing business time"*. She said she went back and listened to the tape and Vice Mayor Lipp did not use the words "filling out paperwork". She also asked that Mr. Spence's words *"If you're out in the field and if you're monitoring, then you come in and do paperwork or report work, this is additional time... that could apply to any consultant"* be added to the minutes. Ms. Corum said she would go back and listen to the tape and get it more verbatim.

John Ryan elaborated on what he understood the previous (October) discussion to be about and said he thought the recommended changes would make the minutes more correct. Cindy Corum said I'll go back and listen to the minutes. Mrs. Ryan said no, we're going to have to agree on the wording tonight. Ms. Corum suggested not approving the minutes until the next meeting. She said she would be more comfortable if she could re-listen to the audio, revise the minutes and resubmit them at the next meeting because her name was on these minutes. Mrs. Ryan said we need to approve the minutes tonight. Mr. Spence said there is no urgency and he agreed that the minutes could be revised and brought back at next meeting.

**The motion to approve the October 25, 2010 FAAC Meeting Minutes was withdrawn by Bridget Subramanya and the approval of October minutes was deferred to next meeting.**

## **5. Approval of restated September 2010 Financials**

There was prolonged discussion about the September financials and many details regarding the year end close-out. Finance Director Holly Hugdahl said there was more information she was waiting on and more work to be done before the final year end financials would be ready. She said we would not know what the final numbers are until the audit was complete. She said if you look at the balance sheet, we were carrying balances on some of the reimbursement accounts (developer charge backs). She said she wanted to reconcile all the balances to determine which projects owed the Town funds before closing out the year. Mrs. Hugdahl said she had started out with balances from NCS, but those beginning balances did not agree with Jim Fleishman's balances.

She said we really need to go back to the beginning and review all the invoices because NCS never kept proper track of the costs associated with development expenses. She said Community of Hope was the only one who had a credit; all of the others had receivables due and there may be anywhere from \$20,000 to \$30,000 due the Town. She said we need to build a file for each one of the developers and it would be a matter of physically going back and pulling all the invoices and matching them up. She also said we can present the auditors with what we have for now, and make a journal entry with a prior period adjustment when the task was completed. Committee member Bridgette Subramanya said the County usually makes developers pay up front before granting a Certificate of Occupancy and wondered if the Town could implement similar requirements. Mrs. Ryan pointed out that a pre-paid insurance payment should be moved into year 2011. Mr. Spence said he would first verify that the payment was indeed pre-paid.

Councilman Rockett suggested future changes and/or revisions made to the financials be highlighted for easy identification. He also pointed out an entry under General Fund Expenses (loan reimbursement for Doreen Baxter's credit card charge for new Council laptops) which was mistakenly posted under 'Buildings'. He asked that expenses that are not easily recognizable be identified in some way, possibly with a footnote or a journal entry. Mrs. Hugdahl said she could create a separate line item called 'Council Computers'. He also drew attention to an error in the Road Fund which should be a positive – not a negative.

**Approval of the restated September Financials was deferred indefinitely until the necessary information is collected and corrections made.**

## **6. Approval of October 2010 Financials**

Mrs. Hugdahl mentioned the October financials were just done the previous Friday and there was an 86 cent interest discrepancy with the bank statement because Riverside Bank had changed hands, and there was a three or four day difference in the respective statement dates.

***MOTION: Committee Member Cheryl Miller made a motion to approve the October Financials; seconded by Committee Member Bridgette Subramanya. Motion passed 3-0.***

## **7. Review of Code Enforcement Invoices**

Mr. Spence said we were now in our third code enforcement officer in as many months. JC Code had only worked about a month and had been offered a more lucrative job and now our current code officer was Doug Taylor from Wellington. Ms. Corum said we have not received an invoice from Tew & Taylor as of yet. Mr. Spence commented he thought JC Code's invoices were detailed and professional. Bridgette Subramanya said the code enforcement invoices are fine; they did a very nice job. She said I like how he does it, he explains everything you need and that's very good documentation. She said before we go to the budget at the end of the year, she would like management to give a one page summary which would include the management's interpretation for how the service was a benefit and why we should use it again. She said this is fine for this month and she was very happy with what we've got and next month she will discuss the next one. Mrs. Ryan asked Mrs. Subramanya what she was going to discuss next month. Mrs. Subramanya said there is no way we can do anymore at this time because this is all we have. One person left and another has been hired. It looks very good. Mrs. Hugdahl said I think what Mrs. Subramanya is looking for is called SEA (Service, Efforts and Accomplishments).

Mrs. Ryan asked for an explanation of SEA. Mrs. Hugdahl said "In government accounting standards, it is not something we currently do, but it's being bandied around on the table for discussion. But basically it says: This is what the service costs; these are the efforts we put forth in doing that; and this is what we've accomplished because of those efforts." She said you're really looking for a report from management. Ms. Corum asked if this was similar to a cost-benefit analysis and Mrs. Hugdahl responded "Yes, but in government we refer to it as SEA." She said it is time consuming and costly and the question is how much in depth information does the Finance Committee really want or need to know.

Loxahatchee Groves Water Control Supervisor John Ryan said he was disappointed with the code officer's three invoices. He said he did not feel there was enough detail on the time sheets. He said it does not state what the code enforcement issues are that are coming before the Town, and it does not provide a basis for tracking how they were dealt with and resolved. He said the previous management company (NCS) prepared a useful spreadsheet of the code complaints which tracked and summarized the cases through resolution. Ms. Corum said I have that in the office – but these are just the code officer's bills. Mr. Ryan said "What you're (staff) is going to do is summarize it on a spread sheet so that the Finance Committee who's looking at the work that they're paying for based on approved invoices understands what's coming before the Town that needs resolution."

Elise Ryan produced a copy of the code spreadsheet NCS had kept previously. Ms. Corum stated that she has kept the NCS code spreadsheet current. She said I just did not include it in this agenda pack as I thought the Committee wanted to review John Farinelli's bills. John Ryan said "His invoices say nothing." Mr. Spence said "I have the knowledge and I'm satisfied that I can sign off on it and approve a payment to him." Mr. Ryan said the fact is that the Finance Advisory Committee is looking for a synopsis that they can evaluate as part of the Town management. Mrs. Ryan showed everyone a complaint form which had been used by previous staff. Ms. Corum said I also use that complaint form but we have revised it and it is much simpler. She said we have those forms and we have records of what Mr. Farinelli has done and what letters he has sent out and all back-up copies, but I did not know how extensive you guys wanted to go.

Mr. Ryan said on the code officer's invoices general statements like "Field Inspections" are meaningless from the standpoint of the FAAC monitoring what's going on in the Town with respect to code compliance. He said my sense at the last meeting was we were going to be talking about what the Town Management is doing with respect to code enforcement monitoring. He said in terms of understanding the code enforcement issues that are coming before the Town and what action is being taken you don't have any idea just from looking at the invoices. Ms. Corum said No, you wouldn't from just looking at his bills, but we have all the back-up material in the office. She asked what kind of documentation are you looking for?

Mrs. Subramanya said Cindy, you're not understanding what we need. Mrs. Ryan asked Mrs. Subramanya to explain what was needed. Mrs. Subramanya said before the budget is approved and we include an item, I want to know how much it cost for that enforcement officer per visit; how many complaints we had; what percentage of the complaints did he respond to and in what amount of time; did he apply the law equally and not discriminate; and did he comply with all laws. There was extensive discussion of what code enforcement back-up material the committee would like to see. It was decided that a copy of the current code log spreadsheet and samples of the new complaint sheets should be brought to the next meeting.

**8. Administrative Update**

None

**9. Addendum Items**

None

**10. Old Business**

**a. Explanation of \$698 Legal bill attributed to Comp Plan**

Mr. Spence said the bill was properly coded to the Comp Plan. (A copy of the bill was included in the agenda packet)

**b. FAAC Punch List**

Several items on the Punch List were discussed. Mrs. Ryan noted that the initials JR for Jim Rockett should be changed to JF for Jim Fleischmann. Mrs. Ryan also asked about the item 'Investigate four hours of paperwork charges on Waste Monitor's bill' on the Punch List. Mr. Spence said the Waste Monitor should not have entered paperwork charges as a separate charge on his bill. He said he had never broken it out separately before and this was the first time he had done so. Waste Monitor Frank Schiola said the only reason he changed his billing format was because he had a request from the Finance Advisory Committee to be very specific on how he did his bills. He said he was trying to adhere to the wishes of the FAAC. He said in his most recent bill, he went back to his old format and did not include his paperwork charges as a separate cost. Doreen Baxter said she wondered how much of this reporting was necessary. She asked if photos of the garbage piles were necessary, or if just calling the address into Waste Pro was sufficient. Mr. Spence said some of the illegal dumping should be documented. He said Waste Pro picks up most illegal dumping as a courtesy to the Town as they are not required by their contract to do so. Mrs. Baxter asked why we would need to document that with pictures if they are doing it as a courtesy to the Town. Frank Schiola said in the case of illegal dumping, pictures were important. He said if we ever caught the violator red-handed, we may be able to take them to court and charge them back for clean-up. He said we can also fine Waste-Pro if we have the documentation. He said we have to assume that everything will go to court – even though it won't. That's why we have it documented. Assistant Clerk Cindy Corum said she understood about illegal dumping and why we want to document that. She said as far as missed veg piles go, I get calls every week from residents and I simply send an email to Amanda at Waste-Pro with the property address. She said a picture isn't necessary. Amanda usually emails back that the veg pile will be picked up same day. She said this is probably why Amanda's garbage log never matches the Waste Monitors' - because Amanda gets calls directly from residents and also from the Town Office. She said many of those calls Mr. Schiola never sees. Mrs. Ryan quoted from the Waste Monitor's contract which called for Town Staff to forward a written summary of complaints to the Waste Monitor no later than the end of the next business day.

Councilman Jim Rockett asked about the progress of the Accounting Policy and Procedures Manual. Mrs. Hugdahl said it has been started. Mr. Ryan asked about the status of the Donna Brosemer lawsuit. Mr. Spence said he had received a letter from the State Ethics Commission. He said there had been difficulties serving Ms. Brosemer as she appeared to be avoiding service.

**11. New Business**

None

**12. Setting of Next meeting time and Date**

Next meeting date was set for Monday, January 24, 2011 at 7pm at Palms West Hospital.

**12. Committee & Public Comments**

Mrs. Ryan said we should have November and December financials ready to review at next meeting and hopefully also a draft of the Accounting Policy and Procedures Manual. Mrs. Hugdahl said she would be fine presenting the pieces of the Manual that are ready. Councilman Rockett said we should look at budget adjustments as the first fiscal quarter would be complete by January. Committee member Bridgette Subramanya asked that the next agenda be limited to 13 items or less. Holly Hugdahl suggested that the next agenda be limited to strictly financial subjects. She said we could look at November and December financials, the P&P Manual, the Audit and any budget adjustments. John Ryan suggested also adding the developer escrow item to the agenda.

**MOTION: Motion was made by Bridgette Subramanya to limit the next agenda to November and December Financials; Audit update; Developer's escrow accounts; Accounting Policies & Procedures Manual update and any proposed budget amendments. The motion was seconded by Committee member Cheryl Miller.**  
**Motion passed 3-0.**

**MOTION: Motion to adjourn was made by Bridgette Subramanya; seconded by Cheryl Miller.**  
**Motion passed 3-0. Meeting adjourned at 9:30.**

ATTEST:

  
Cindy Lou Corum, Asst. Town Clerk

  
Lung Chia, Chairman, FAAC Cmte

1-24-2011  
Date Approved by Cmte

2-24-2011  
Date Signed