



# Town of Loxahatchee Groves

## Finance Advisory & Audit Committee Meeting

Monday, June 25, 2012 at 7:00 p.m.

Palms West Chamber of Commerce, 13901 Southern Boulevard

### MINUTES

#### 1. OPENING

- a. Call to Order & Roll Call

Chair Lung Chiu called the meeting to order at 7:00 p.m. Present were *Chair Lung Chiu, Vice Chair Elise Ryan,* and *Committee Members Cheryl Miller and Virginia Standish.* Also present were Town Manager Mark Kutney, Bill Underwood, Managing Partner of Underwood Management Services Group (UMSG), and Town Office Coordinator Dennise D. Rodriguez

- b. Approval of Agenda

**Motion:** Member Miller moved to **approve** the Agenda. Vice Chair Ryan seconded the motion, which passed unanimously. (**Motion carried 4-0**).

#### 2. CONSENT AGENDA

- a. Minutes: None

#### 3. PRESENTATIONS-None

#### 4. OLD BUSINESS

- a. Banking Services Proposals Analysis

Mr. Underwood discussed the bank analysis and the comparison he performed between Bank United and Wells Fargo; recommending Wells Fargo as the Banking Institution for the Town of Loxahatchee Groves. A discussion took place regarding the contract length; issues that were not resolved in the past; services provided on the contract; termination of contract; bank fees and fraud fees.

#### Public comments:

Ms. Phil Liu of 148 Terrace N. - Asked if the contract with the bank would include a termination clause if the town is not satisfied with the services provided.

Member Standish made comments in regard to the bank fees and also mentioned the comments and concerns that residents have brought up about the bank fees and other services that both banks offers.

Chair Chiu recommended that there be consistency with the regular plan and agreed with the evaluation.

**Motion:** Member Miller moved to approve the Wells Fargo negotiation proposal after the Town Council reviews it, and Member Standish seconded the motion, which passed unanimously. **(Motion carried 4-0).**

## 5. NEW BUSINESS

### a. Approval of FY 2012 Financial Statements

Vice Chair Ryan indicated that she would not be able to attend the Town Council Meeting on June 26, 2012 to present the Financial Reports. Member Miller agreed to attend the meeting and Member Standish will also be attending the meeting.

A discussion took place regarding the motion presented in the previous FAAC meeting (June 7, 2012) in reference to having the Town Attorney draft a letter to the previous management company Frank Spence, Inc. relating to the reimbursement of the 2010-2011 Audit related cost, and also the prior town's management contract in regards to the services that it was to provide at the end of its contract. Mr. Underwood described the work that was performed in order to process the end of year FY201.

**Motion:** Vice Chair Ryan moved to approve that the letter would not be sent to Frank Spence and Member Miller seconded the motion, which passed unanimously. **(Motion carried 4-0)**

**Motion:** Vice Chair Ryan moved to approve the Financial Statements. Member Miller seconded the motion, which passed unanimously. **(Motion carried 4-0)**

#### 1. Budget vs. Actual – May 2012

A discussion took place regarding some accounts, which will be corrected on the next month report.

Town Manager informed that the town received a check from Wells Fargo Bank, regarding Code Enforcement Violation in the amount of \$35,421.25 for property at 3684 "A" Road. Committee members made comments on the issue and were pleased with the results.

#### 2. Bank Reconciliation – May 2012

A discussion took place regarding some changes on the spreadsheet.

#### 3. General Ledger Detail – May 2012

A discussion took place regarding some General Ledger accounts

#### 4. Bank Statement – May 2012

A discussion took place regarding bank charges

**Motion:** Vice Chair Ryan moved to approve the Financial Statements. Member Miller seconded the motion, which passed unanimously. **(Motion carried 4-0)**

##### b. Review of Planning & Zoning Invoices

Town Manager mentioned that Jim Fleishman has been performing a very good job reviewing everything for the Town. Member Standish asked if Mr. Fleishman worked on behalf of the Town. Town Manager advised that said yes, that he was working for the town.

##### c. Approval of Cost Recovery Escrow Account Reconciliation-Community of Hope

A discussion took place regarding the Community of Hope and their invoice. Vice Chair Ryan asked if the Community of Hope agreed with those charges. Mark explained the details of the last meeting that staff had with representatives for the Church.

Vice Chair Ryan mentioned about how far the town has gone regarding the reconciliation of the Cost Recovery Accounts, and how she is pleased with the balance sheets that are being presented to the Committee.

Chair Chui expressed concern about the check sequences in the Community of Hope spreadsheet as it reflects two (2) checks with the same check number. Mr. Underwood explained that it could have been two (2) different bank accounts. A discussion took place regarding the checks issues.

**Motion:** Vice Chair Ryan moved to **approve** the Approval of Cost Recovery Escrow Account Reconciliation. Member Miller seconded the motion, which passed unanimously. **(Motion carried 4-0).**

#### 6. DISCUSSION – The Committee Members started with items “c”

##### a. CLOSING COMMENTS

- a. Public-None
- b. Committee Members-

Vice Chair Ryan inquired about the 2012/2013 Budget. Town Manager Kutney advised that the FY 2013 Budget would be released in July, and meetings with Town Council to go over the budget will be scheduled. Mr. Underwood mentioned that Management is trying to put a plan together for the town. The goal is to do good things for the community.

Member Standish is glad that they finalized the bank issues. She also mentioned that looking back to previous agenda items it was brought up the Gas Tax Dollars and its use. She wanted to know if in the future, when it's appropriate, if the Committee could look at that item again with respect to how the town can use those dollars.

Town Manager Kutney advised that they probably were able to bring something back at a future FAAC meeting. He is currently discussing roadways and trail ways with the Town Attorney, and other matters that have to be addressed as well. A discussion took place in respect to the road ways.

Mr. Underwood stated that he feels the Town is doing massive progress on many fronts and looks forward to continuing that progress.

Office Coordinator, Dennise Rodriguez mentioned that a resident had called in the morning to congratulate staff on its performance.

Member Miller advised that she would be unable to attend the July 23, 2012, FAAC Meeting.

c. Concluding Administrative Remarks

1. Report on Solid Waste Commercial Permitting Implementation – Frank Schiola Postponed –

No report has been received on this matter to date. Committee discussed the Solid Waste Commercial Permitting Implementation.

2. Revised April 2012 Financial Activity Report –

A discussion took place in reference to the changes that were found in prior month report and were corrected in the current report. Vice Chair Ryan also mentioned the encumbrance items and that these items should be included in the August report. All the encumbrances should be included in the reports so it will tie to the General Ledger report.

Member Standish requested clarification about what the “Encumbrances Accounts” are. Vice Chair Ryan provided an explanation as requested.

3. Revised Proposed Budget Amendment –

A discussion took place in reference to the Increase/Decrease in the incorporated items in the Budget, along with the revenue and the expense balances. The Committee recommended some budget amendments, and Mr. Underwood incorporated those additional items in the Amendment. Chair Chiu also mention the use of the Contingency line item.

Motion: Member Miller moved to approve the Budget Amendment. Member Standish seconded the motion, which passed unanimously. **(Motion carried 4-0).**

**b. ADJOURNMENT**

**Motion:** Member Miller moved to **adjourn** the meeting at 8:17 p.m. Member Standish seconded the motion, which passed unanimously. **(Motion carried 4-0).**

The next FAAC meeting is Monday, July 23, 2012.

**These minutes were approved by the Finance Advisory & Audit Committee on  
September 11, 2012.**

  
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Dennise D. Rodriguez, Office Coordinator

  
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Lung Chiu, Chair

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