



Town of Loxahatchee Groves

Finance Advisory & Audit Committee Meeting

Monday, July 23, 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 7:03 p.m. Present were *Chair Lung Chiu*, *Vice Chair Elise Ryan* and *Virginia Standish*. *Committee Members Cheryl Miller was absent*. 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: Vice Chair Ryan moved to **approve** the Agenda. Member Standish seconded the motion, which passed unanimously. **(Motion carried 3-0).**

2. CONSENT AGENDA

- a. Minutes: July 23, 2012

Motion: Vice Chair Ryan moved to **approve** the minutes. Standish seconded the motion, which passed unanimously. **(Motion carried 3-0).**

After discussion, it was determined that two (2) slight corrections would be made to the June 7th, 2012 minutes.

It was the consensus of the committee to approve the minutes as amended.

3. PRESENTATIONS

- a. **FY 2013 Annual Budget Proposal**

Town Manager Kutney summarized the 2013 Annual Budget Proposal and asked if Committee preferred to go over each item or just certain items of interest to them. Vice Chair Ryan expressed how pleased she was with the Capital Budget Report.

She advised that she has been requesting this report for the last five (5) years. She also mention that in the past, Chair Chiu had requested that Staff put more details into Town plans with respect to expenditures and recommendation from FAAC supporting a Budget that ties into request made by Staff to amend the Comprehensive Plan. She also stated that it is her belief that

if the Comprehensive Plan is not amended, the town cannot spend the Local Option 5 cent fuel tax revenues. Vice Chair Ryan also voiced her concern that the Town Council may not be aware of this matter.

Member Standish mentioned that she thought this was discussed previously.

Vice Chair Ryan requested the consensus of the FAAC to inform the Council with respect to FAAC's recommendation, support of a detail Capital Budget, and also to recommend the Town amend the Capital Improvement Element of the Comprehensive Plan so they will be able to use the gas tax funds.

A discussion took place about the expenses associated with the Capital Improvement Element modification and how Managements determined those costs. Member Standish also recommended searching documents that were provided to the State which indicated the public roads, and authorization that allowed use of gas tax funds on those specific roads.

The Committee also discussed the process of submitting to the Town Council the CIP Element modification and questioned if there would be additional costs. Vice Chair Ryan explained how the Gas tax money has been used in the past. Member Standish wanted to make sure that the Town had backup documents before going through the process of modifying the CPI element.

Mr. Underwood discussed the Interlocal Agreement between the County and the Town with respect to the Local Option Fuel Tax.

Chair Chui made some recommendations for next year's budget in reference to the coming consensus and the management's recommendations in putting priorities and goals for the Town. Town Manager Kutney discussed the Budget breakdown of accounts including the capital improvement program for the roads as discussed by the Town Council. Town Manager Kutney indicated that this was going to be a "Continuous Budget", because there was going to be improvements to the "Budget" until it's adopted.

- Public comments:
- Phil Liu – 4245 148th Terrace North

Asked if there is a contingency for any "Legal Fees"; for example any lawsuits.

Town manager indicated that there are additional legal fees to cover expenses resulting from any lawsuit that may come up.

A discussion took place regarding identifying the priorities and goals for the Town according to the Budget. Chair Chui stated that he would like to see how much the Town has accomplished based on the budget and what has been planned. He would like to see more detail.

Member Standish had a concern about developers and developments infrastructure cost. She wants to make sure that the Town is not absorbing infrastructure capital cost that developers should be taking care off. A discussion took place regarding the cost that the developers should cover and their agreements with the Town, and who negotiates those agreements with developers. She also asked if there is a contingency in the Budget to cover certain things related

to infrastructure development. Vice Chair Ryan explained to Member Standish all the details related to project developments, and cost recovery and how it should be applied.

The Committee discussed various Budget items. The Committee inquired about the “Contingency Fund”. Mr. Underwood explained how the Contingency Fund is calculated.

The Committee also discussed the Town Council Budget Workshop meeting.

Public comments:

- Phil Liu – 4245 148th Terrace North

Ms. Liu inquired if the maintenance expenses to be paid to the Water Control District would be \$300,000 or \$150,000 for road maintenance in the proposed Budget. The Committee discussed this matter and comments made from Council Members during previous Town Council Meetings.

OLD BUSINESS-None

4. NEW BUSINESS

a. Approval of FY 2012 Financial Statements

1. Budget vs. Actual – June 2012

- A discussion took place regarding the Budget vs. Actual report. Bill Underwood explained all the details from the report.

2. Bank Reconciliation – June 2012

3. General Ledger Detail – June 2012

4. Bank Statement – June 2012

- A discussion took place regarding certain accounts in the Bank Reconciliation, General Ledger Detail and the Bank Statement.

b. Review of Planning & Zoning Invoices - None

c. Discussion Relative to Transportation Fund

1. Reclassification of expenditures from Five (5) cent to six (6) cents.

2. Future Budget Amendment from Gas Tax Reserves

- Bill Underwood discussed the process of the Transportation Fund and how the reclassification is going to be done and the Budget Amendment from the Gas Tax Reserves.

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

5. DISCUSSION –

a. CLOSING COMMENTS

a. Public:

- Phil Liu – Inquired about the Road Sign for 148th Terrace North.

Town Manager advised he would verify if the Town has any signs with that name.

- Phil Liu – Asked how Town and the District are coming along as the general public is concerned about what’s going on between them.

Town Manager explained that the Water Control District and the Town are working on changes to the Interlocal Agreements. A discussion took place in reference to the invoices, and road cost from the Water Control District.

Chair Lung Chui asked Staff about procedures for Road service requests.

- Staff advised that when residents calls Town Hall to request “Road Service”, they want their roads to be graded immediately. Staff does advise residents that once the request is emailed to the Water Control District, the Town does not have any control as to when the request will be processed by the District.

b. Committee Members

- Chair Lung Chui – Inquired about the Town paying for the sales tax use of the Simon Property, and Palm Beach State College signs.
- Town Manager – Thanked the Committee for their diligent and thoughtful comments and that it was a very productive discussion about the budget.
- Member Virginia Standish – Stated she’s looking forward for Mr. Underwood’s Fiscal Policy that he will be presenting to the committee.
- Elise Ryan – Advised that the Budget was well documented and is seeing the process moving forward.

c. Concluding Administrative Remarks

1. Report on Solid Waste Commercial Permitting Implementation – Frank Schiola Postponed
 - Bill Underwood recommended eliminating this item from the agenda.

Motion: Vice Chair Ryan moved to approve to elimination the item “Report on Solid Waste Commercial Permitting Implementation”, from the Agenda. Member Standish seconded the motion, which passed unanimously. (Motion carried 4-0).

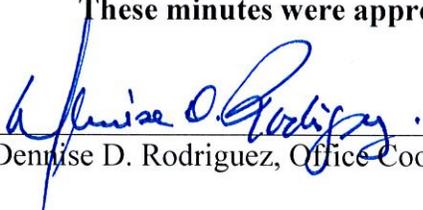
2. Reimbursement for June 2012 – Bill Underwood discussed all reimbursements as presented.

b. ADJOURNMENT

Motion: Member Standish moved to **adjourn** the meeting at 8:55 p.m. Vice Chair Ryan seconded the motion, which passed unanimously. **(Motion carried 4-0).**

The next FAAC meeting is Monday, August 27, 2012.

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



Dennise D. Rodriguez, Office Coordinator



Lung Chiu, Chair

SEAL