



Finance Advisory & Audit Committee Meeting
Monday, March 25, 2013 at 7:00 p.m.
Palms West Chamber of Commerce, 13901 Southern Boulevard

Chair Lung Chiu
Vice Chair Elise Ryan
Committee Member Ken Johnson
Committee Member Cheryl Miller
Committee Member Virginia Standish

Town Council Liaison Ryan Liang
Town Manager Mark Kutney
Town Clerk Susan Eichhorn

PUBLIC NOTICE/AGENDA

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 Ken Johnson, Cheryl Miller, and Virginia Standish*. Also present were Town Manager Mark Kutney, Bill Underwood, Managing partner, Underwood Management Services Group, and Perla Underwood, UMSG.

b. Approval of Agenda

MOTION: Member Miller MOVED, SECONDED by Member Standish to **approve** Agenda.
Motion passed unanimously, 5-0.

2. CONSENT AGENDA – None

3. PRESENTATION – None

4. OLD BUSINESS

a. Discussion Relative to Implementation of Cost Recovery Fee Schedule

Town Manager Kutney explained that he is working on proposed amendments to the Cost Recovery Ordinance and a new initial fee schedule. Member Standish expressed concerns about the costs incurred by residents on neighbor to neighbor matters, and expressed a need to ensure balance on these matters. Member Standish also questioned if the changes would include the cost recovery charges for Code Enforcement.

Town Manager Kutney advised that he is addressing cost recovery as it relates to development only, and explained that the Special Magistrate did assess administrative costs on one specific code enforcement case, but that the Town Council waived those charges. Additionally, the application of cost recovery charges was also discussed with respect to "Right to Farm" on some properties.

Upon question from Vice Chair Ryan about the difference between Town initiated and resident initiated land use issues, the Town Manager Kutney explained that if the Town Council initiates a request on behalf of a resident similar to that of the gun sales matter then that cost is absorbed by the Town.

Mr. Underwood advised that there is no mechanism in place to recoup costs if residents take their individual requests directly to, and it is acted upon by the Town Council. Town Manager expressed his concerns that by doing special accommodations, problems may occur. Upon question from Vice Chair Ryan with respect to the recent commercial residential enterprises ordinance, Town Manager Kutney stated he is concerned that this action may cause problems in the future.

a. Discussion Regarding Format of FAAC Meeting Minutes

Town Manager Kutney provided two different sources for minute's preparation and reporting as follows: Florida Association of City Clerk, and Parliamentary Procedure Online. The Committee also reviewed Town Council Agenda Item of December 7, 2010 with respect to minute preparation.

Following review and discussion with respect to the sources provided, Chair Chiu advised that he would like to see the minutes include relevant information on topics discussed. A general discussion ensued with respect to the audio recordings, and video of the meeting. Member Johnson suggested that the Town consider the use of a stenographer (verbatim minutes) for all Town meeting. The Committee generally agreed that all minutes should include brief informative discussion of items discussed.

5 NEW BUSINESS

- a. Approval of FY 2013 February Financial Statements
- Budget vs. Actual – February 2013
 - Bank Reconciliation – February 2013

- General Ledger Detail – February 2013
- Bank Statement – February 2013

Vice Chair Ryan explained to the Committee about the previously questioned invoice paid to C&C Loader with respect to the notation “rubber tire backhoe.”

Upon question from Member Miller about a legal charge entitled “Bert J. Harris claim,” Town Manager Kutney advised the expense relates to the Day Property lawsuit.

Chair Chiu questioned Management’s procedures on check signing. Staff explained the current internal procedures that are in place with respect invoice processing; check printing, criteria on check signing by Town Council members, and disbursement of checks.

With respect to the Road Fund, Member Standish inquired about the First Local and Second Local Option Fuel Taxes. In addition, Member Standish discussed purchases, cost saving, and turnaround time of street signs and their installation.

With respect to General Fund, Member Standish inquired about legal charges for general matters. Town Manager Kutney advised that general matters consists of all matters relative to Council, Attorney, and Staff that are not identified as part of other matters. With respect to the Yee’s Corporation payment in the amount of \$1800, the Committee was advised that the payment represented rental payment for two months.

With respect to the Capital Improvement Fund, staff advised the additional funds were moved into the account as the Town Council during its Budget process approved additional funding for trails and other items.

With respect to charges in the Transportation Fund in the amount of \$48,913, staff advised the charges were for the construction work performed on the 148th Culvert project.

Marge Herzog – 966 A Road –

Inquired about charges billed the Town by Frank Schiola for street sign installations, and questioned why the Town did not use the LGWCD for said installation. Mr. Underwood advised that the Town does not currently have an agreement with the District to install the signs.

MOTION: Vice Chair Ryan Moved, and Seconded by Member Miller **to approve** the Financial Reports as presented. The vote on the Motion was 5-0.

b. Review of Planning and Zoning Invoices

The Committee had no questions on the Planning & Zoning invoices.

6. Review of Draft Comprehensive Annual Financial Report (CAFR)

Mr. Underwood briefly reviewed the draft Audit with the Committee and highlighted areas of interest

such as net asset growth, solid waste fund balance, and unassigned Fund Balance. He advised that the Audit will be forward to the GFOA by Monday at the latest to insure receipt prior to the deadline for submission.

Upon question from the Committee, staff advised that the Solid Waste contract expires on September 30, and RFPs will be going out in the next month or so. Town Manager also advised that the Solid Waste Authority let new contracts out and it appears they are happy with the prices recently received.

Chair Chiu questioned staff about recent Request for Proposals (RFP's) and inquired about engineering services. Town Manager Kutney advised that the most recent RFP was for Banking Services; however, Manager Kutney did advise that the Town recently issued Bids for gravel road grading, and Requests for Qualifications for Professional Engineering services.

The Committee had a lengthy discussion with respect to the Town/District roads regarding the transfer of roads to the Town, necessary survey work to be done, questions concerning Marcella, Compton, and Bryan road issues, the District's recent Facilities Report, and other matters relating to the Town's road system.

Town Manager advised the he is working closely with the District's new Administrator on many of the issues discussed. He also advised that the Town Attorney is working on road transfer matters as well. Upon question from Member Johnson regarding the PBSC, Town Manager Kutney discussed the improvements to B Road and bridge at Collecting Canal has been previously discussed by the Developer and the LGWCD.

Upon the request of Chair Chiu, staff advised that they will invite the Town's Auditor to the next meeting so that he can present the Management Letter to the Committee for their review.

MOTION: Member Miller Moved to **approve** the Draft CAFR as presented. The motion was Seconded by Vice Chair Ryan. The vote on the motion was 5-0.

It was decided that Member Standish will present the FAAC Report at the next Town Council Meeting.

Town staff advised that the Audit's Management Letter and Resolution No. 2009-014 relating to establishment of the FAAC will be placed under Old Business for discussion on the next Meeting Agenda.

6. CLOSING COMMENTS

a. Public

Phil Liu – 4245 148th Terrace, North –
Questioned the road survey work, and staff advised that the Town would only be surveying ingress and egress as it relates to the transfer of ownership. Vice Chair Ryan advised that legal costs can be expensive.

1. Reimbursements – February 2013

7. ADJOURNMENT

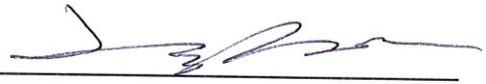
Motion: Member Miller moved to **adjourn** the meeting at 8:50 P.M. Member Standish seconded the motion, which passed unanimously. (**Motion** carried 5-0).

The next FAAC meeting is Monday, April 22, 2013

**These minutes were approved by the Finance Advisory & Audit Committee on
April 22, 2013.**



Perla D. Underwood, UMSG



Lung Chiu, Chair

SEAL