



Town of
LOXAHATCHEE GROVES

Finance Advisory & Audit Committee Meeting
Monday, June 24, 2013 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*. Member Ken Johnson was absent from the meeting. 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, 4-0. Member Standish advised that she will need to make a correction at the next Town Council Meeting relative to the May 2013 Financial Report she provided at the June 2013, Town Council Meeting.

2. CONSENT AGENDA

a. Approval of May 28, 2013 Minutes

MOTION: Ryan Moved, Seconded Standish to **approve** minutes as amended to include the following typographical corrections:

- Page 5 of 119, 5. New Business, second paragraph, last sentence, replace “evenly” with “eventually.”
- Page 8 of 119, paragraph eight, first sentence, replace “respect” with “respect.”

Motion passed unanimously, 4-0.

3. PRESENTATION – *None*

4. OLD BUSINESS

a. Cost Recovery Fee Matters

Town Manager Kutney advised the Committee that Staff had recommended the use of Cost Recovery to the Town Council at their last meeting on two separate matters presented to the Town Council by residents; however, the Town Council had decided not to charge cost recovery on these matters. Manager Kutney, once again, stressed that the integrity of cost recovery is harmed when special exceptions are made.

Upon question from the Committee, Manager Kutney advised that he brought this to their attention as the FAAC is always supported the use of Cost Recovery on land use matters. Member Standish advised that Staff recommended the use of cost recovery at the Council Meeting. Chair Chiu advised that while the Town Council has the flexibility to do what they feel is necessary, he suggested that Staff provide the fiscal impact to Town Council on each such request in the future. Vice Chair Ryan requested that Member Standish report to the Town Council that FAAC believes there should be cost recovery on matters to include zoning change requests as an example of matters that should be paid by the property owner making the request rather than passing the cost on to the Town's citizens. Chair Chiu advised that he believes the Council should try to apply ordinances consistently while at the same time making decisions on a case by case basis.

b. Sales Tax Charges - *None*

5 NEW BUSINESS

a. Approval of FY 2013 May Financial Statements

1. Budget vs. Actual
2. Bank Reconciliation
3. General Ledger Detail
4. Bank Statement

MOTION: Vice Chair Ryan Moved to **approve** the Financial Reports as presented. Member Miller Seconded the motion.

Member Miller questioned the Deposit from Crime Stoppers, Vice Chair Ryan questioned the (\$6117.64), reflected in the Budget vs. Actual with respect to Ad Valorem Taxes, and also entries for Town Management in the amount each of \$27,000 in the General Ledger Report under account no. 001-512-340-000 Other Services. Staff advised that the Deposit in question was as a result of the Town's agreement with Crime Stoppers in the amount of \$2,000 the previous year, and since the award was never issued, the funds were returned to the Town. With respect to the revenues reflected for Ad Valorem Taxes, Staff reminded the Committee that last month there was an error to the posting for Ad Valorem Taxes, and the (\$6117.64) reflects the journal correction to this line item. With respect to the two \$27,000

entries reflected in account no. 001-512-340-00, Staff advised that those entries were made in error and will be corrected and be reflected in next month's reports as follows:

- 001-512-340-000 Other Services will be credited \$12,788.86, and
- 001-515-310-000 Professional Services will be debited \$12,788.86

The motion passed unanimously, 4.0.

b. Review of Planning and Zoning Invoices

No action was taken on this matter.

c. Proposed Budget and Capital Improvement Program

Kutney reviewed the highlights of the proposed preliminary budget and Capital Improvement Program in the amount of \$3,970,246 for Town Council consideration at their next meeting. Bill Underwood, UMSG advised the Committee about reductions to certain revenues that could have a negative effect in meeting the 3 mill requirements as required by the State. Underwood advised that in 2013 when The Town Council adopted it millage at 1.2 mills, the cushion was not significant even to meet the 3 mill requirement if there was any reduction to the other sources of revenues. Underwood advised that after reviewing revenues and adjustments made in the most recent Budget Amendment he has a concern, and advised that the cushion is getting very thin.

With respect to the current FY2012-2013 Budget, Underwood informed the FAAC that another budget amendment will be presented to the Town Council that will include additional funds in the amount of approximately \$10,900 for the LGWCD debt subsidy, as \$18,000 was adopted for this item under the last Budget Amendment. Underwood also advised that the cost of Town Road Maintenance has been growing and staff may recommend that Town Council appropriate additional revenues to cover the added expenses.

Phil Liu - 4245 148th Terrace, North –

Suggested the Town publish requests by residents for Town Road Services. She also suggested that the Town Council increase millage and make some reductions to the citizens in order to meet the 3 mill equivalency.

Todd McClendon – 3481 D Road

Inquired if the Town ever denies requests on maintenance services. Manager Kutney provided an explanation of the process Management uses for all requests.

Member Standish inquired about portion of money set aside by District for trails with respect to the culvert and title company. Staff advised that that matter should be addressed directly to the Water Control District.

Vice Chair Ryan complimented Management on the FY2014 Budget and advised that the budget presented provides the Town Council with the sufficient information to make the necessary decisions with respect to the detail in the Proposed Budget.

Bill Underwood requested Chair Chiu's help by explaining the role and function of the independent external auditor's function to the Town Council. Following discussion, Chair Chiu requested Staff review the Auditing Contract with respect to a provision that provides CEPs hours to the Town from Nowlen Holt & Miner.

6. CLOSING COMMENTS

a. Public

Phil Liu – 4245 148th Terrace, North –
Expressed the importance of presenting items in an open forum.

b. Committee Members

Standish inquired about the Palm Beach County Inspector General's Letter received by the Town relating to the roads. Town Manager Kutney advised that the Town Attorney will be providing a response on behalf of the Town by the July 2, 2013, deadline.

c. Administrative Remarks

1. Reimbursements –May 2013
2. Update on Bid No. 2013-002 – Solid Waste and Recycling Collection Services

Mr. Kutney advised that the Mandatory Pre-Bid Conference was held on June 12, 2013 with five prospective bidders in attendance. Mr. Kutney further advised that the Bid Opening for the Solid Waste and Recycling Collection Services will be at 2:00 p.m., June 26, 2013, and the Selection Committee consisting of FAAC Member Miller, Solid Waste Monitor Frank Schiola, and Staff will meet on June 28 to review and rank each of the bids received so that the Town Council can review and ratify the selection at its July 2, 2013 meeting.

7. ADJOURNMENT

Member Miller Moved, Seconded by Vice Chair Ryan to **adjourn** the meeting at 9:10 p.m. Motion to adjourn passed unanimously, 4-0.

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



Perla D. Underwood, UMSG



Lung Chiu, Chair

