



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

## Minutes

### 1. OPENING

- a. Call to Order & Roll Call
- b. Chair Lung Chiu called the meeting to order at 7:05 P.M. Present were *Chair Lung Chiu, Vice Chair Elise Ryan, and Committee Members Cheryl Miller, Ken Johnson, and Virginia Standish*. Also present were Town Manager Mark Kutney, Bill Underwood, Managing partner, Underwood Management Services Group, and Perla Underwood, UMSG.

- c. Approval of Agenda

Motion: Member Miller Moved, Seconded by Vice Chair Ryan to **approve** Agenda with the following correction to reflect the next scheduled FAAC meeting date to be January 27, 2014. Motion passed unanimously, 5-0.

Vice Chair Ryan advised that Member Johnson had requested at the November meeting that discussion relative to Code Enforcement be placed on the Agenda. Town Manager Kutney advised that this item will be placed on the January 27, 2014 Agenda.

### 2. CONSENT AGENDA

- a. Approval of Minutes – None

### 3. PRESENTATION – *None*

### 4. OLD BUSINESS

- a. Cost Recovery Fee Matters - *None*

- b. Sales Tax Charges – *None*
- c. Discussion Relative to Establishment of a Town Road Resurfacing Policy - *None*

## 5 NEW BUSINESS

- a. Approval of FY 2013 October Financial Statements

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

Motion: Vice Chair Ryan Moved to approve October Financial Reports to include item 5b.  
Motion seconded by Member Miller.

Discssion: Member Standish questioned several expenditures and was advised that staff will be completing all accruals by November 30<sup>th</sup>, and the expenditures questioned by Member Standish are included as part of the adjusting end of year entries.

In the Deposit Detail report, Member Standish questioned if the two revenues identified as Livestock Hauling and Fire Settlement were typos. She also inquired about expenditures for waste monitoring from the Town's Solid Waste Monitor. Staff advised that the Livestock Hauling was for Manure Hauling, and the Fire Settlement was a typo and should be "Fine Settlement" with respect to the Valley Crest Code Enforcement Case. Additionally, staff advised that the increase expense in solid waste monitoring is a result of significant increase in garbage collection complaints since the new contract began October 1, 2013. Town Manager provided the Committee with a brief overview about the problems with services provided by the Solid Waste Contractor.

Member Johnson inquired if the Town could receive a listing of dumpster customers using Waste Pro.

Chair Chiu requested that page numbers for each item be placed on the Agenda page going forward.

The vote on the Motion passed unanimously, 5/0.

- b. Discussion Relative to Changes to Town's Fiscal Policies

Bill Underwood advised Committee members that Councilman Jim Rockett had requested changes to the Fiscal Policies, more specifically fiscal policy reserves, and staff had placed the item on the Agenda for FAAC review and input as it relates to Section II, Item A.3.a. on page 4 of 8 of the Fiscal Policies. Mr. Underwood further advised that Councilman Rockett would like to see the 25% and 10% requirements be reduced.

Vice Chair Ryan stated that she feels comfortable with reserves as currently in place. She advised that it's her belief that having the Town in a good cash position prevents us from developer influences on the Town.

Chair Chiu questioned if the Council set goals and objectives. Staff advised that the Budget and CIP are the Town Council's goals and objectives for the new FY2014.

Member Johnson questioned where funding for North Road OGEM project came from. Staff advised that funding for the construction came from General Fund revenues.

Chair Chiu requested that the Town Council be reminded that the Fiscal Policy is adopted by the Town and should be incorporated into their decisions, and specifically pointed out that Section IV, 2.c. that reads "[t]he impact of each project on the operating revenues and expenditures of the Town shall be analyzed as required by the General Fiscal Policy..." (on page 6 of 8 of Fiscal Policies) should be applied to a Town Road Resurfacing Policy.

Town Manager Kutney advised that Member Standish raised this matter with the Council at the last Town Council Meeting, and Council shown no desire to have that reexamined or discussed.

Vice Chair Ryan questioned that going forward into the future the Committee should consider providing a written report to Council on matters like this.

Member Johnson advised he believes that resurfacing of Collecting Canal Road should be placed on the same time line as the College, and then only certain sections of Collecting Canal should be surfaced.

c. Discussion Relative to Transfers from Fund Balance within Budget and Accounting Documents –

Bill Underwood advised that this item was placed on the Agenda as Councilman Rockett had requested that transfers from Fund Balance be placed in the Accounting documents. Mr. Underwood advised that Fund Balance is not revenue, and as such no transaction would ever occur in the General Ledger. Mr. Underwood additionally pointed out that the Budget is not an accounting document.

**6. Administrative Updates:**

- a. Adopted FY2013 Budget Amendment
- b. Adjusting End of Year Entries
- c. Reimbursements – *Receive and File*
- d. Cancellation of December 23, 2013 Meeting

**7. CLOSING COMMENTS**

- a. Public

**8. ADJOURNMENT**

**Member Johnson Moved, and Seconded by Member Miller to adjourn the meeting at 8:25 pm.**  
Motion passed unanimously, 5/0.

*The next FAAC meeting is Monday, January 27, 2013*

**These minutes were approved by the Finance Advisory & Audit Committee on  
January 27, 2014.**

  
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Perla D. Underwood, UMSG

  
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Lung Chiu, Chair