



Finance Advisory & Audit Committee Meeting
Tuesday, May 27, 2014 at 7:00 p.m.
Palms West Chamber of Commerce, 13901 Southern Boulevard

MINUTES

1. OPENING

a. Call to Order & Roll Call

Chair Ryan called the meeting to order at 7:04 p.m. In attendance were Chair Ryan, Vice Chair Miller, and Member Standish. Member Chiu and Johnson were absent from the meeting. Also in attendance were Town Manager Kutney, Bill Underwood of Underwood Management Company, and Perla Underwood, UMSG.

b. Approval of Agenda

Member Standish **Moved**, Seconded by Vice Chair Miller **to approve** the Agenda as presented. The vote on the motion was **3.0**.

2. CONSENT AGENDA

a. Approval of Minutes – *None*

3. PRESENTATION

a. Code Enforcement Presentation

Motion: Vice Chair Miller **Moved**, Seconded by Member Standish **to move** the Code Enforcement Presentation to Old Business, 4.b. on Agenda in order to ensure that Member Johnson's is able to participate in the presentation as he may be delayed for the meeting. Motion passed, **3/0**.

4. OLD BUSINESS

a. Review of Legal Invoices – Raymond Drive Encroachment Issues

Member Standish briefly explained to the Committee the reason she had requested this item be placed on the Agenda, and requested that Town Manager Kutney provide an overview of the matter.

Town Manager Kutney provided the Committee an overview of the Swerdlin fence encroachment matter, and advised on Management's process as it related to this specific matter.

Upon question from Member Standish, Town Manager Kutney advised that the Town Council did not approve the legal expenses in advance on the encroachment matter, nor is it the Council's policy to approve legal expenses in advance.

Following discussion, Member Standish requested that Staff ask Town Council to review the legal bills more carefully, and require legal to provide more detail in their monthly billing. Vice Chair Miller and Chair Ryan agreed with Member Standish, and determined that this request would be included in the next FAAC Committee report to the Town Council.

b. Discussion Relative to Code Enforcement Presentation

Chair Ryan advised that this matter was requested by Member Johnson at a previous meeting, and Town Manager Kutney has put together a presentation on Code Enforcement for the Committee.

Town Manager Kutney made a presentation on Code Enforcement in Florida that included statute requirements, code enforcement models, boards, methods, and established theory by Schilling and Hare entitled "Broken Window Theory." Manager Kutney also provided information on the code enforcement function within local government to include functions such as inspection/evidence gathering procedures, and provided several examples of difficult cases to gather evidence and prosecute. Manager Kutney concluded his presentation with a discussion on administrative remedies, fines and liens, and appeal processes

Member Standish stated that Member Johnson had raised this matter in conjunction with prior Committee discussion relative to decreasing property values, and what actions the Town could implement to help increase values. Member Standish stated that she believes that property values increase when the economy grows. With respect to discussion relative Schilling and Hare "Broken Window Theory," she does not necessary agree that crime follows code violations in the Town.

With respect to examples given on difficult cases to gather evidence and prosecute, Vice Chair Miller inquired about exceptions for religious uses. Manager Kutney provided a brief overview of Religious Land Use and Institutionalized Persons Act (RLUIPA). Upon question from Member Standish, Manager Kutney briefly addressed the process concerning religious affiliates.

Committee Member Ken Johnson entered meeting at 7:40 pm.

Member Johnson questioned costs for law enforcement, and receipts of fines received from Palm Beach County.

Public Comments:

Frank Schiola – Marcella Boulevard

Mr. Schiola suggested that traffic tickets must include the proper community in the citation to ensure that the Town receives fine receipts.

Christine St John – 43rd Road North

Ms. St John advised that she believes that twenty (20) year liens can be extended for an additional 20 years, advised that she believes property values will go up based location, and land mass, and homestead exemption applies only to portion of area around your residential dwelling for some properties with agricultural designations.

5. NEW BUSINESS

- a. Approval of FY 2014 April Financial Statements
 - 1. Budget vs. Actual
 - 2. Bank Reconciliation
 - 3. General Ledger Detail
- b. Bank Statement
- c. Review of Planning and Zoning Invoices.

Member Standish questioned line item Purchase Roads from LGWCD in the Capital Improvement Fund. Bill Underwood advised that the \$28,934 was authorized by the Town Council for the purchase of the four lettered segments of District Roads OGEMed by the District several years ago. Member Standish inquired if the Town had received \$40,000 from the District designated for Trails yet.

John Ryan – A Road

Advised that following the Town's execution of the Interlocal Agreement, the District signed the warrant just recently, and the Town should receive the funds thereafter.

Motion: Vice Chair Miller **Moved to approve** the April 2014 Financial Statements and Planning and Zoning Invoices as presented. Motion Seconded by Member Standish. Motion passed unanimously, **4/0**.

d. Review of Proposed FY2015 Budget

Bill Underwood presented the FAAC with a preliminary estimate of revenues and expenditures for Fiscal Year 2014-15. He advised this is the Committee opportunity to review and make recommendations that will be included in the Proposed Budget for Council consideration in July.

With respect to General Fund revenues, Mr. Underwood explained that the Town has yet to receive the final property values from the PBC Property Appraiser, and estimated projections for State revenues from the State of Florida, and as such the proposed revenues reflected are based on last year's estimates at this time.

Upon question from Chair Ryan, Mr. Underwood advised that the proposed Ad Valorem Tax revenue is based on 1.5000 mills. Underwood also advised that staff eliminated amounts for Hauler Licensing Fees, and General Government Charges as the Town Council has recently taken action that will eliminate receipts to the Town for Manure hauling permits, and reduce revenue for vacant property registrations.

With respect to General Fund expenditures, Mr. Underwood briefly explained any changes or additions for the Legislative, Executive, Financial and Accounting, Legal, Planning & Zoning, Other Governmental Services, Law Enforcement, and Public Works Budgets.

Changes requested by Committee were as follows to Legislative Budget:

- Correct FY13-14 Column Total - Legislative Budget - \$103,885.
- Delete Holiday Parade Expenses - Special Events/Contributions - \$1,350.

Upon inquiry by Committee Members concerning Planning & Zoning Budget, Bill Underwood provided the following information:

- Account 001-515-310-000 Professional Services – Engineering expenditures for consultation, and other functions that are not included as part of a Capital Improvement Fund such as the FEMA matters currently addressed by the Town are charges that would post to the account.
- Account 001-515-343-000 Planning & Zoning Contract – Expenses for Town initiated planning services that are not a part of Cost Recovery. Committee discussed reducing the \$20,000 budget for the line item. Underwood recommended against and explained that even though very little had been charged to the account in the current budget year, the Committee needed to remember that many of those charges were incorporated into the Work Authorizations provided by the Management Company for Hay Sales, Comp Plan Amendment, and ULDC, and Moratorium.

Member Johnson advised that CERT team is not a private organization and requested that it be corrected in the Other General Government detail description for Account No. 001-519-820-000.

Changes requested by Committee were as follows to Law Enforcement Budget:

- Increase Contractual-ADDL PBSO - \$10,000.00
To be used for compliance with the Manure hauling prohibition established by Council.

Public Comments:

Keith Harris and Phyllis Magalia spoke with respect to quality requirements, retention, and flow of water from private property to District canals within the Town as it related to manure.

With respect to the Transportation Fund, Underwood again advised that estimates by the State will not be available until July 1 for the 1st Local and 2nd Local Option Fuel Tax, and like General Fund revenues there will be changes made to the proposed revenues at that time.

Member Johnson advised that he feels this revenue source will decline over time as a result of new energy efficient vehicles being produced today.

Mr. Underwood briefly explained any changes or additions of expenditures in the Fund. Following suggestion by Chair Ryan, and input by Keith Harris, Chair RETGAC, the Committee recommended changes to the expenditures as follows:

- Account 101-5541-468-000 Town Roads Maintenance – 6 cent –
Add \$40,000 – Hedging
- Account 101-541-632-000 Special Projects – Equestrian Crossings Okeechobee
Boulevard – Increase to \$60,000

The Committee did not recommend any changes to the revenues and expenditures within the Solid Waste Fund.

Motion: Vice Chair Miller **Moved**, Seconded by Member Johnson to **approve** the Preliminary General Fund, Transportation, and Solid Waste Fund Budgets as presented to include all changes to revenue and expenditure line items as noted by the Committee. The vote on the motion passed unanimously, **4/0**.

The Committee reviewed the Capital Improvement Budget as presented. Following discussion it was agreed to continue the review of this specific Budget at the next FAAC meeting.

Motion: Member Standish **Moved**, Seconded by Member Johnson **to include** the Capital Improvement Budget for consideration at the next FAAC Meeting. The vote on the motion was unanimous, **4/0**.

6. Administrative Updates:

a. Fines applied to Waste Pro Invoicing

Town Manager Kutney advised that fines for Waste Pro totaled \$8700.00. Manager Kutney advised that he has been with Corporate Waste Pro Representative and feels that the meeting was very positive, and it is hoped that there will be improvement to the service levels provided by the Contractor going forward.

b. Review of Procurement Ordinance 2008-009

Town Manager Kutney advised that the Procurement Ordinance is being provided to the Committee for their information as this will be placed on the next FAAC Agenda for review.

c. Municipal Financial System Software Proposals –

Bill Underwood advised that Municipal Financial System Software Proposals were opened on Friday, May 23, 2014, and 4 proposals were received. A Proposal Tabulation sheet has been provided to the FAAC for review. Underwood also advised that he will provide his recommendation on the four proposals submitted at the next FAAC meeting.

7. CLOSING COMMENTS

a. Public

Keith Harris – advised that he had prepared comments to the Town Council, and is requesting a 15 to 20 minute meeting with Chair Ryan, Manager Kutney and Mayor Browning to discuss the remarks he will make prior to next week's Town Council Meeting. Town Manager Kutney advised that he would arrange for the meeting as requested.

b. Committee Members

Committee Members thanks all for attendance.

8. ADJOURNMENT

Member Johnson **Moved**, Seconded by Member Standish **to adjourn** the meeting at 10:30 PM. The vote on the motion was unanimous, **4/0**.



Perla D. Underwood



Elise Ryan, Chair