Florida's Last Frontier

Town of

LOXAHATCHEE GROVES

Finance Advisory & Audit Committee Meeting

Monday, June 30, 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 7:00 P.M. Present at the meeting were Chair Elise Ryan, Vice Chair Cheryl Miller, and Committee members Lung Chiu, Ken Johnson, and Virginia Standish. Also in attendance were Town Manager Mark Kutney, and Town Clerk Janet Whipple.

b. Approval of Agenda

Vice Chair Miller Moved, Seconded by Member Standish **to approve** the Agenda.
Motion passed, **5/0**.

2. CONSENT AGENDA

a. Approval of Minutes – May 27, 2014

Motion; Member Standish Moved, Seconded by Vice Chair Miller **to approve** the minutes of the May 27, 2014 Meeting. Following discussion the minutes were amended as follows:

- 6.a. Fines Applied to Waste Pro Invoicing – strike out "the march" on the first sentence of the paragraph.
- 7.a. Keith Harris – strike out "with respect with the FAAC funding and culvert crossings" on the first sentence of the paragraph.

The Committee unanimously voted **to approve** the minutes with the noted changes. Motion passed, **5/0**.

3. PRESENTATION - *None*

4. OLD BUSINESS

a. Review of Proposed FY2015 Capital Improvement Program CIP Fund Budget

Town Manager Kutney reviewed the changes included in the FAAC Agenda Addendum #1 as follows:

- General Fund Revenues – Ad Valorem Taxes has been increased by $22,851 to $281,360 reflecting the final taxable value provided the PBC Property Appraiser on June 26, 2014.

- Town in receipt the PBSO increase of $2803 to the Professional Services Agreement with the Sheriff that will be incorporated into Council's budget.

- Florida Municipal Officials Manual – Chapter 6 entitled Public Services along with a copy of the LGWCD Unit Map to assist in the discussion relating to road improvements by local governments.

Committee members discussed at length the following sections of Section 6-1 Streets and Highways of the Florida Municipal Officials Manual in relationship to the establishment of a Town Policy for future road improvements:

- Section B. Function Classification of Roads
- Section C. Funding
- Section D Acquisition of Property
- Section E Special Assessments

With respect to the Capital Improvement Plan, Committee members questioned various topics regarding improvements to Collecting Canal Road such as if canal right-of-way was included in the Collecting Canal OGEM project costs; required verification of Town expenditure of funds on improvements; responsibility for payment of improvements; determine financial responsibility of residents residing on already improved portions of Collecting Canal; review of Town Charter language that provides exemptions to large landowners (90 acres); and who would be responsible for improvements of gaps between B and C Roads on Collecting Canal, or could the gaps be included by the developers as part of their improvement requirements on B Road.

Town Manager Kutney advised that the current year (FY2013-2014) funding for OGEM of Collecting Canal Road was for the road surfacing only. With respect to the Town Charter language as it relates to large landowners, Mr. Kutney advised that he would need to research that matter. With respect to developers paying for the improvements on the gaps on Collecting Canal Road between B and C Roads, Kutney advised that those improvements were not included in the negotiations and agreements between the Town and developers. And, finally Mr. Kutney pointed out that the proposed Budget does not include any funding for improvements to Collecting Canal Road at this time.

Following question from Member Standish, Town Manager Kutney advised that the Town will assume responsibility for B Road after improvements are completed.

Member Chiu raised the question about Council determination on how Collecting Canal Road Improvements would be funded. Following a question from Vice Chair Miller, the Committee agreed that the Town Council has a responsibility to develop a Policy. After a lengthy discussion, the Committee generally agreed that the Town must establish a policy. Committee members discussed various alternatives, but it was generally agreed that the FAAC should recommend that the Town of Loxahatchee Groves should have an established policy in place regarding payment for initial road improvements.

Motion: Member Johnson Moved, Seconded by Vice Chair Miller **to recommend** a stand-alone policy, and ensure that the Town "should consistently adhere to that policy as to have no such announced policy or to make exceptions to an announced policy is to open the door to accusations of favoritism or unequal treatment," as recommended in the 2013 Florida Public Officials Manual. The vote on the motion was, **5/0**. Motion passed.

The Committee reviewed the FY2015 Proposed Capital Improvement Fund Budget and recommended the following changes:

- Surveying Town Roads - $100,000
- OGEM Collecting Canal Road – $0.00
- Okeechobee and D Road Traffic Light - $290,000
- Trails - $120,000
- D Road to Southern Boulevard - $0.00
- Purchase Roads from LGWCD - $28,934

Member Standish advised that her only concern is the budgeted amount for surveying may be to low.

Member Chiu made the following suggestions to be included in the report to the Town Council with respect to development of a policy for road improvements, and capital improvement plan:

- Workshop Meeting to receive input from residents regarding the priorities of capital projects (Development of the Capital Project Improvement Plan)

- Town Council should adopt a Capital Projects/Improvement Plan (Plan)

- The Plan should be meaningful, practical, include timelines, and should have
  1. Engineering estimates
  2. Funding sources (General Fund, Grants, Loan, Bonds, Assessments, etc.)
  3. Gap (Shortage of funding)

The Council should consider developing a policy regarding how dollars should be spent on road improvements, or other projects.

The policy should ensure the following:

1. Equity for all residents

2. Sufficiency of funding
3. A practical timeline for projects
4. Changes to the Plan must be approved by the Council

b. Review of Procurement Ordinance 2008-009 – *Postponed*

c. Municipal Financial System Software Proposals

Motion: Member Standish Moved, Seconded by Member Johnson **to postpone** this item to a later date. The vote on the motion passed, **5/0**.

5. NEW BUSINESS

a. Approval of FY 2014 May Financial Statements

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

b. Bank Statement

The Committee reviewed the matter regarding a Counterfeit Check that was processed. Chair Ryan advised that the Town's Bank Statement will no longer be included in the FAAC Agenda Packet, and instead will be provided as a handout to Committee Members. The Committee was advised that Positive Pay will be implemented effective in July. With respect to providing information to residents, Member Johnson suggested that if citizens would like copies of the Bank Statements going forward they should contact the Town Hall to review or receive a copy of Statements.

Motion: Member Vice Chair Miller, Seconded by Member Johnson **to approve** the May 2014 Financial Statements. Motion passed unanimously, **5/0**.

Standish questioned page 80 of 100 reflects a $200.00 payment for Zoning Confirmation. Town Manager Kutney advised that no legal expenses were incurred with respect to the Zoning Confirmation request.

c. Review of Planning and Zoning Invoices

No comments.

6. Administrative Updates:

Town Manager Kutney advised that the Town had received $10,000 from Atlantic Land Design for the Simon Cost Recovery account, and that PBSC will be submitting additional funds to their Cost Recovery Account after the beginning of their fiscal year in July.

7. CLOSING COMMENTS

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a. Public

b. Committee Members

8. ADJOURNMENT

Motion: Member Johnson Moved, Seconded by Member Standish **to adjourn** the meeting at 8:30 P.M. The vote on the motion passed unanimously, **5/0**.

Perla D. Underwood, UMSG

Virginia Standish for Elise Ryan
Elise Ryan, Chair