



Finance Advisory & Audit Committee Meeting
Monday, February 23, 2015 at 7:00 p.m.
Palms West Chamber of Commerce, 13901 Southern Boulevard

Chair Virginia Standish
Vice Chair Cheryl Miller
Committee Member Lung Chiu
Committee Member Ken Johnson
Committee Member Anita Kane

Town Council Liaison Ryan Liang
Town Manager Mark Kutney
Town Clerk Janet Whipple

MINUTES

1. OPENING

a. Call to Order & Roll Call

Chair Standish called the meeting to order at 7:00 P.M. Present were **Chair Virginia Standish, Vice Chair Cheryl Miller, and Committee Members Lung Chiu, Anita Kane, and Ken Johnson.** Also present were Town Manager Bill Underwood, and Perla Underwood, UMSG.

b. Approval of Agenda

Motion: Vice Chair Miller Moved, Seconded by Member Kane **to approve** the Agenda. The vote on the motion was unanimous, 5/0.

2. CONSENT AGENDA - None

3. PRESENTATION – None

4. OLD BUSINESS –

5. NEW BUSINESS

- a. Approval of FY 2015 January Financial Statements (
 1. Budget vs Actual (*Page 23*)
 2. Bank Reconciliation (*Page 29*))
- b. Bank Statements – November and December 2014 (*Not included as part of Agenda Packet*)
- c. Review of Planning and Zoning Invoices – November and December 2014 (*Page 122*)
- d. Review of Reimbursements – November 2014 (*Page 154*)

Staff advised that the Detail Trial Balance for period ending January 31, 2015 was not included in the Agenda, but would be forwarded to the Committee during the week.

Following discussion and inquiry by Committee members with respect to various expenditures, and charges to specific contracts that included cost recovery charges, Member Kane Moved, Seconded by Vice Chair Miller approve the Financial Reports, Bank Statement, Planning and Zoning Invoices, and Reimbursements. The vote on the motion was unanimous, 5/0.

- e. *Discussion Relative to the Town Road Project – Compton, Marcella and Bryan Roads*
 1. North Florida Emulsions Contract – Compton, Marcella and Bryan Road Improvements
 2. Charges to the Capital Improvement Fund for Compton, Marcella and Bryan Road Improvements
 3. Piggyback Contract Presentation – PBC office of Inspector General

Upon question from Chair Standish about the reason for FAAC review on this matter, Member Chiu advised that he prepared a presentation on this Town Road project in order to maintain the credibility of the FAAC Committee.

Member Chiu advised he felt it was important to review this project and its costs as a result of a Letter to the Editor that appeared in the prior week's Town Crier Newspaper that questioned the cost and method of procurement used by the Town for the road improvements on Compton, Marcella, and Bryan Road.

Mr. Chiu reviewed the costs associated with the project to include engineering, drainage expenses, road preparation prior to micro-surfacing, and the contractor charges for the improvements. Mr. Chiu advised that the Letter of the Editor did not accurately reflect the costs for this project. Town Manager Underwood advised that according to GASB rules, the entire amount expended would be capitalized as the cost for the roads project.

Committee members reviewed invoicing for engineering, district charges for drainage and road preparation, along with the contract with North Florida Emulsions including Change Order 1, and the Change Order 2 that was not approved by the Town Council. Additionally, the Committee received

Town Council Meeting minutes that reflected the process the Town Council took with respect to this project beginning in 2012, through completion in 2014.

Member Chiu explained that procurement using a piggyback is an acceptable practice. With respect to the OIG input regarding recommended practices for use of Piggyback to procure Construction Contracts, the Committee reviewed both Town Council Meeting minutes, correspondence from the OIG to Town Council Members with respect on the issue of piggybacking, and the OIG's Presentation on Piggybacking that they provided the Town Council in January 2014.

Elise Ryan – A Road

Questioned some of the expenditures provided for the project, and requested that the Letter to the Editor by Keith Harris relating to the costs for the Compton, Marcella, and Bryan Road be read into the record.

Following discussion, Chair Standish advised that she did not feel it was necessary to read the letter into the record as she felt the presentation that was made by Member Chiu, and the review of the minutes, charges, and OIG report more than accurately reflect the scope, expenses, and approval of the project by the Town Council for Road Improvements on Marcella, Compton, and Bryan Roads.

f. Receive and File Approved Purchase Agreement – Chamber of Commerce

The Committee thanked Town Manager Underwood for providing copies of the two chamber appraisals, environmental assessment report, and the final purchase agreement for the Chamber, and the draft deed from Palm Beach County for the land purchase. Mr. Underwood advised that all the requirements that were recommended to the Town Council by the Committee were completed including the Building Inspection as well. Upon question from Member Kane, Mr. Underwood advised that the total purchase was \$480,000. Mr. Underwood advised that the cost for the Chamber was \$460,000, and \$20,000 to Palm Beach County for the Land purchase.

5. CLOSING COMMENTS

- a. Public
- b. Committee Members

6. ADJOURNMENT

Member Kane Moved, Seconded by Vice Chair Miller to adjourn the meeting at 8:50 p.m.



Perla D. Underwood, UMSG



Virginia Standish, Chair