

DRAFT

DRAFT

DRAFT

VILLAGE OF NORTH PALM BEACH

AUDIT COMMITTEE

MEETING MINUTES - APRIL 9, 2018

ATTENDING:

COMMITTEE

Edward Katz
Donald Kazimir
Richard Podell
Christian Searcy
David Talley
Tom Magill- Chairman

ABSENT

Emery Newell Esq. (Prior Notice Received.)

ADMINISTRATION

Andrew Lukasik-Village Mgr.
Samia Janjua- Finance Director

COUNCIL

David Norris- Mayor

ITEMS DISCUSSED.

1. Financial Data thru February 2018 was reviewed. Budget adjustments noted.
2. Considerable discussion was held about the method of accounting for the operation of the new clubhouse. In general, the collective view centered on the idea of the golf operation and the restaurateur paying 'rent" to the General Fund. This would require establishment of defined allocation of costs. The restaurateur would have a fixed monthly fee and the Golf operations would be obligated to provide funding for that portion of the facility allocated to gold operations.
3. Unallocated Fund balance was discussed. Both committee and administration note the reduction from the year closing to the current estimate of 24% of projected FY 2018 expenditures. This assumes an added \$3 million to cover estimated costs of the clubhouse construction.
4. Mr. Lukasik advised the Committee of the possible Village acquisition of the existing Palm Beach Gardens Public Works facility located at Burns Road and A1A. It could require an added Village expenditure of \$2.5 million. The Committee suggested that the Administration continue the consideration and acquire added information before any recommendation.

Mr. Podell made the observation that for a number of years, Village expenditures have exceeded receipts. Added Ad Valorem

tax from new construction may offset this issue. Both the Committee and the Administration are committed to prudently manage the Village finances during these “high spending “ years.

5. The status of the Clubhouse Project was reviewed. It now appears that total construction costs will be close to \$18 million. The current \$15 million loan and an added contribution of \$3 million from the Unallocated Fund Balance, under our current discussion will provide the funding. A potential method of allocating the \$3 million is to set it up as a loan from the Fund Balance to the General Fund at an interest rate of 2.09 % and a term consistent with the existing loan.

The Administration advises that preliminary talks with potential restaurant operators are encouraging. Responses to the Village RFP are due this month.

A firm demolition and construction proposal is expected from Weitz Co. by the end of May or sooner. Work to begin in June.

The meeting adjourned at 5:50 p.m.

Tom Magill

Chairman