

BUDGET ADVISORY COMMITTEE
November 18, 2002

1. ROLL CALL

The meeting was called to order at 5:40 p.m. by Chair David Brown. Committee members present were Scott Spages and Dan Barr. Also present was Carol Menke, Acting Budget and Finance Director. Vice Chair Waldee arrived at 5:55 p.m.

2. APPROVAL OF MINUTES

Chair Brown suggested two changes to the draft minutes of the October 14, 2002, meeting. The first change was a request that the minutes reflect that the Budget Advisory Committee had asked Ms. Ryan, the Town's Grants Specialist, to invite a BAC representative to any grant workshop(s) she sets up. The second suggestion regarded the placement in the minutes of the notation as to when Chair Brown had left the October meeting. Scott Spages made a motion, which was seconded by Dan Barr, to approve the minutes of October 14, 2002, as amended. **(Motion passed 3-0).**

3. OLD BUSINESS

3.1 FY 2001 Financial Statement Update. Chair Brown stated that it is totally unacceptable that the financial statements for fiscal year 2001 are not yet completed. He stated that the Committee's main function, evaluation of the Town's financial condition, can't be addressed without those statements and that the Town is also late for grant reporting purposes, debt compliance requirements, and for state reporting. The Town Council also does not have current information to rely on when making decisions.

Chair Brown also commented on the budget process and that the Committee members should be more involved in the department budget process than they were last year since they have all been through the process and have more familiarity with the budget now. The Committee discussed the assignment of individual members to work with specific departments. A motion was made by Scott Spages, seconded by Dan Barr, to continue working with the same departments as last year. **(Motion passed 3-0).** The Committee discussed starting the budget process involvement even earlier than this year. Chair Brown also asked each of the Committee members to invite their respective Town Council members to attend at least one BAC meeting in the upcoming year.

The Committee held additional discussions on the Town's investment income due to the low rates being earned by State Board accounts at the present time. The BAC would like to know how much is available to be invested elsewhere, and therefore potentially earn a higher return than available at the State Board, without creating liquidity or arbitrage concerns for Town operations. After additional discussion Scott Spages made a motion, seconded by Vice Chair Waldee, that the Budget Advisory Committee recommends to the Town Council that a review process be undertaken to update the Town's investment policy in conjunction with looking at the returns earned at the State Board and whether there are other higher return investment options available and appropriate for the Town. **(Motion passed 4-0).** The

Committee asked Ms. Menke to send a memo relaying this motion through the Town Administrator's Office.

4. NEW BUSINESS

4.1 FY 2003 Capital Plan Projects. Ms. Menke distributed the capital project list summary from the Town's approved five year capital plan. The Committee discussed which projects were already funded and which are not funded. The Committee discussed the timing of borrowings compared to when project expenditures would actually take place. Also discussed was the potential referendum on bonds for Fire Department projects. Scott Spages discussed his reasons why he is not in favor of more voter approved debt even though he is very much in favor of the proposed Fire Department projects. He believes at least portions of the projects could and should be funded by looking at cutting spending in other areas of the Town and having the Town focus on core municipal functions such as public safety. A discussion ensued regarding ISO ratings and whether lower ratings actually reduce insurance payments.

4.2 Advisory Board Report. Ms. Menke reminded the Board regarding the Board's annual reporting requirements. Chair Brown said he would draft a report for discussion at the December meeting and that each of the Committee members could summarize their involvement with last year's departmental budget process for incorporation into the report.

5. COMMENTS AND/OR SUGGESTIONS

Committee member Dan Barr left the meeting at 6:32 p.m.

The Committee briefly discussed the proposed Ft. Lauderdale/Hollywood airport expansion project and that the Hollywood mayor is opposed to the expansion. Scott Spages said he was in favor of the original design of the airport. The Committee started to discuss fuel dumping but agreed that was a separate issue and more closely related to the work of other boards, such as the Water and Environmental Board.

There was a brief discussion of the PAL 990 that Ms. Menke had distributed. The BAC asked Ms. Menke to mail all the items distributed that night to Committee member Dr. Bob Preziosi and obtain his input in what follow up, if any, he would like to see regarding the PAL 990.

6. ADJOURNMENT

There being no further business, a motion was made by Scott Spages, seconded by Vice Chair Waldee, to adjourn the meeting. (Motion passed 3-0). The meeting was adjourned at 7:05 p.m.

Approved

Chair/Committee Member