

**TOWN COUNCIL  
SPECIAL MEETING  
APRIL 27, 2004**

The meeting was called to order at 5:36 p.m. Present were Mayor Truex, Vice-Mayor Paul, Councilmembers Crowley, Hubert and Starkey. Also present were Town Administrator Willi, Town Attorney Kiar, and Town Clerk Muniz recording the meeting.

1. Auditing Service

**Rachlin, Cohen and Holtz, LLP**

Michael Futterman, representing Rachlin, Cohen and Holtz, introduced himself and members of his firm's auditing team, which currently served the Town. Jerry Chiocca, Director of Municipal Services for the firm, also spoke of his function with the firm. Nicole Mannarino, audit manager, spoke of her role with the firm. Mr. Futterman referred Council to a letter of recommendation regarding his firm's work for the Town.

Councilmember Hubert asked what were some recommendations his firm made to the Town. Mr. Futterman outlined some recommendations made to keep financial statements from being prepared late. Mr. Chiocca advised that one recommendation had been to hire a Finance Director quickly, while another had been made to review the water and sewer bonds. Councilmember Hubert asked why the audits were late. Mr. Chiocca pointed out various reasons including conflicting scheduling of reports submitted from the Police and Fire Pension Boards. Councilmember Hubert inquired about the fees. Mr. Chiocca felt that the fees should not be discussed at the time.

Councilmember Crowley indicated that he was not advised that the audit was late until very late. He asked why so few agencies contracted with them in Broward County. Mr. Chiocca explained that the firm was originally based in Miami and that contracts had specific time limitations in Broward County. Councilmember Crowley asked if the water and sewer audit would be included in the contract. Mr. Chiocca indicated that the law required that different firms perform the water and sewer audit from the regular audit. Assistant Town Administrator Ken Cohen recommended having a different firm perform the water and sewer audit.

Councilmember Starkey voiced her concerns about the delayed audit and indicated that she felt Council had been left in the dark without adequate information during the delays. She also felt a more thorough explanation needed to be given for adjustments reflected in the budget. Mr. Futterman explained that the audit contained a section that outlined details of expenditures in excess of appropriations.

Vice-Mayor Paul voiced her concerns about the late audit and recalled previous discussions with staff about the reasons for the delay.

Mr. Willi distributed documentation indicating that many of the audits were late due to incomplete documentation from the Police and Fire Pension Boards.

Mayor Truex asked if the Town could do anything about the delays. Mr. Willi advised that staff's recommendation was that audits be handled by the firm that handled the Town's audit.

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**Grau and Company, P.A.**

Tony Grau, representing Grau and Company, introduced members of his auditing team. He referred Council to handouts distributed and spoke about his firm's experience with municipalities, especially those in Broward County. Michelle Blackstock, manager on the audit team, spoke about the firm's extensive focus on government clients. She explained how the audit team would be comprised. Mr. Grau further spoke about the firm's commitment to help the Town receive the GFOA Certificate of Achievement. Ms. Blackstock spoke of the firm's dedication to community involvement and working well with the Town's staff.

Councilmember Crowley asked Mr. Grau when the audit would be completed if his firm was selected. Mr. Grau indicated the engagement would be completed by the end of July. Councilmember Crowley felt it was imperative to have the audit completed on time, as delays could jeopardize State and federal funding opportunities. Mr. Grau felt it was important to complete the 2003 audit, move up the timeline for the 2004 audit, and seek the GFOA certification.

Councilmember Starkey was concerned about this firm's ability to meet the deadline based on their lack of familiarity with the Town. She asked if Grau and Company would use additional staff if necessary. Mr. Grau spoke of his firm's commitment to working with the Town as best it could.

Vice-Mayor Paul asked if the firm would make recommendations that pension boards hold emergency meetings if they were late meeting their deadlines. Mr. Grau did not feel that was his firm's role, but indicated that he would advise Council if any issues were precluding timely completion of the Town's audit.

**McGladrey and Pullen, LLP**

Bob Feldman, representing McGladrey and Pullen, introduced members of the firm's engagement team. He outlined his professional qualifications and explained the roles and qualifications of members on the engagement team. Bruce Shorp, audit manager, spoke of the firm's national reputation, the clients it served, and its merits apart from other firms. Michelle Horaney spoke about the audit process and summarized their ideal timeline for stages of the audit process. Mr. Feldman concluded by pledging that his staff would work very hard with the Town to meet and exceed the Town's objectives.

Councilmember Starkey asked how many Broward cities the firm served. Mr. Feldman indicated Cooper City and North Lauderdale, in addition to the Seminole Tribe of Florida. He added the firm served 600 clients nationwide as well as approximately 15 government clients. Councilmember Starkey asked what the firm's process was when deficiencies were discovered. Mr. Feldman described what actions would be taken and indicated that any issues that warranted Council's attention would be brought forward.

Vice-Mayor Paul asked what the firm's timeline would be to bring the Town up to speed. Mr. Feldman outlined the action plan and stated that the team would meet with staff immediately.

Mayor Truex asked how long the firm had audited the Seminole Tribe. Mr. Feldman indicated since 1998.

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**Keefe McCollough & Co., LLP**

Bill Benson, representing Keefe McCollough & Co., introduced members of his auditing team. Chris Collins, supervisor, described the structure of the firm and explained how it stood apart from others. Mr. Benson reiterated how important a client the Town would be as a client of the firm. He further spoke of the service competencies of the firm. Cindy Calbert spoke about the firm's substantial experience working with governmental bodies. Mr. Benson spoke of his firm's respected reputation with Broward municipalities and expressed his firm's enthusiasm about the possibility of working with the Town.

Councilmember Hubert asked if the firm would be able to get the Town's next audit done on time. Mr. Benson indicated that his firm would be ready to start one week from the meeting date and would not miss a deadline. Councilmember Hubert asked if the firm would make presentations to Council. Mr. Benson responded that this would be done if requested.

Councilmember Crowley asked about the firm's claim of serving the most municipalities in the County. Mr. Benson maintained that the firm's primary concentration of service was in the County.

Councilmember Starkey asked how many of the firm's municipal clients received the GFOA certification. Mr. Benson indicated that all who sought the certification received it, with the exception of the City of Plantation, which did not want it.

Mayor Truex indicated that Council could make a decision that night or at the next meeting. Mr. Willi indicated in the affirmative but cautioned that all the firms were requested to submit engagement letters. Budget and Finance Director William Underwood advised that all firms but Grau and Company had submitted engagement letters.

Mayor Truex remarked that when staff ranked the firms, choices 1 and 2 were close but the other two firms were spread further in rank. He asked how staff had made the determination. Mr. Cohen indicated that presentations were made to the selection committee and the committee then ranked the firms.

Vice-Mayor Paul asked what staff would do to facilitate completion of the current audit in terms of moving it along quickly. Mr. Cohen indicated that professional accounting temps would be hired to facilitate the compilation of schedules in order to free up staff.

Mayor Truex asked what could be done to ensure timely compliance from the Police and Fire Pension Boards. Councilmember Starkey asked why the auditing firm would not be responsible for establishing a timeline instead of the Town hiring additional staff to prepare the schedule. Mr. Cohen explained why it would be financially prudent to have temps assist with schedule preparation. Councilmember Starkey expressed concern that the firms recommended had made presentations to a selection committee independent of Council. Council felt that in the future, staff should bring these issues to Council's attention prior to proceeding.

Councilmember Crowley asked if the selection were made that night, would it affect the water and sewer audit. Mr. Cohen indicated that the contract for consideration before Council was for the entire audit. Mayor Truex asked if there was a specific format Council should use for choosing a firm. Mr. Willi indicated Council could choose by whatever format it wished to use.

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Councilmember Crowley felt the ranking system would be better than making a motion, because when a contract was being negotiated, if it was not agreed upon, the Town could always negotiate with the second ranked firm.

Mayor Truex asked if staff felt the GFOA certification was an important goal for the Town. Mr. Willi felt that residents and employees of the Budget and Finance Department valued the certification as it was a significant morale booster. Mayor Truex asked if any lobbyists for the Town were registered on this issue. Town Clerk Muniz advised that Neil Schiller had registered as a lobbyist for Rachlin, Cohen & Holtz, LLP.

Councilmember Crowley asked Mr. Cohen how many years the agreement covered. Mr. Cohen indicated three years.

Council ranked the firms that gave presentations. Procurement Manager Herb Hyman advised Council that Grau and Company was the successful firm.

Mayor Truex advised that Mr. Willi had wanted Council to discuss another issue not noticed for the meeting. Mr. Willi advised that the issue was a very specialized area of law and that Council input was required immediately for final action on May 5, 2004.

Councilmember Starkey asked Mr. Kiar if Council could take action on the issue. Mr. Kiar advised that per the Charter, this item could not be discussed at tonight's meeting.

Mayor Truex stated this was an emergency issue and announced that an emergency meeting would be held at noon the following day.

There being no further business to discuss and no objections, the meeting was adjourned at 7:42 p.m.

Approved \_\_\_\_\_

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Mayor/Councilmember

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Town Clerk