

**BUDGET ADVISORY MEETING  
MAY 16, 2005**

**BUDGET ADVISORY COMMITTEE MEETING  
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**1. ROLL CALL**

The meeting was called to order at 5:45 p.m.

Present at the meeting were Committee Chair, Dr. Bob Preziosi, Secretary Scott Spages, and Stephanie Bell.

**2. APPROVAL OF MINUTES**

There were no Minutes to be approved.

**3. OLD BUSINESS**

**3.1 5-Year Capital Improvement Projects**

Dr. Preziosi advised the purpose of the meeting was to specifically discuss the 5-Year Capital Improvement Projects.

Mr. Spages felt that certain Parks and Recreation items should not be in the capital budget but should be addressed in the regular budget, such as park fencing and playground equipment.

**Vice-Chair Dr. Kerry Waldee arrived.**

Vice-Chair Waldee also did not like the idea of spending bond money to address maintenance items. Mr. Spages reiterated his view that some maintenance items such as re-paving did not qualify as capital items.

Dr. Waldee questioned the category on the report listed as "Undesignated, Unreserved, Retained Earnings."

**Deputy Finance Director Carol Menke arrived.**

Dr. Preziosi asked Ms. Menke what would happen to items listed under "2006 Park Bond" if the bond did not pass. Ms. Menke advised that unless there was an alternate source of funding, those items would be dropped.

Dr. Preziosi questioned Ms. Menke regarding park maintenance items listed as capital improvements. Mr. Spages asked if there was pressure on staff to add such maintenance items to capital improvements. Ms. Menke advised the Town tries to keep the General Fund lean.

Dr. Waldee voiced his objection to the potential usage of \$1.3 million of the proposed Open Space Bond money for park upgrades and maintenance.

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### ACTION:

Mr. Spages made a motion, seconded by Dr. Waldee, to request that the Finance Director find alternate funding sources for items such as park fencing and playground surfacing, which appeared to be maintenance items.

In a voice vote, all voted in favor. (Motion passed 4-0)

Dr. Preziosi asked for clarification on the "Undesignated, Unreserved, Retained Earnings" category.

Ms. Menke explained this was the fund balance carried over that was not already committed to other purposes. She added that these balances were the accumulation of result over past years. Dr. Waldee asked where the Town stood on projects to address water runoff problems. Ms. Menke advised that the original drainage projects funded were almost completed and that they should check with Mr. Bernard.

Mr. Spages asked if there was any limit to how many bonds the Town could ask the bank for. Ms. Menke advised the Town did not have a policy imposed on itself, but rather the bank's underwriting process would prevent loaning beyond a certain amount.

Mr. Spages requested to see a list of all the Town's bonds and repayment status.

Dr. Preziosi asked who decided when to go for CBA bonds. Ms. Menke stated this decision was driven by the projects the Town wanted to do along with the direction of the Council and administration.

### ACTION.

Mr. Spages made a motion, seconded by Dr. Waldee, to request that all future bond issues that Council would vote on be reviewed by the Budget Advisory Committee 30 days prior to any voting process.

In a voice vote, all voted in favor. (Motion passed 4-0)

Ms. Menke and the Committee briefly discussed the Sunrise water service issue and its potential future impacts on the budget.

Ms. Bell referred to page 3 and questioned the "Open Space Impact Funds." Ms. Menke advised these were monies from developers' impact fees reserved for use on Open Space projects.

Dr. Waldee wanted to know who looked at how effectively bond money was spent once it was issued. Ms. Menke advised that the banks reviewed the list of the Town's projects and reviewed its financial statements. She added that the banks generally relied on the Town's external auditors. Ms. Bell asked how many banks the Town dealt with. Ms. Menke advised the Town had a bidders list use

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to procure competitive proposals for debt and that most of the Town's current debt was with Wachovia Bank, but that the Town also has debt with SunTrust and Bank of America.

**4. NEW BUSINESS**

**5. COMMENTS AND/OR SUGGESTIONS**

The Committee requested a meeting with the Town's Grant Writer.

The Committee requested a meeting with Town Administrator Kovanes.

The Committee requested a verbal status report from Bruce Bernard on the Town's drainage projects.

Regarding the upcoming Open Space Bond Referendum, Mr. Spages stated he had not yet been provided with a copy of the telephone survey conducted by the Trust for Public Lands. Mr. Spages indicated he wanted to see the methodology of how the questions were designed as he had concerns about the design of the survey.

**5. ADJOURNMENT**

As there was no further business to discuss and no objections, Mr. Spages made a motion, seconded by Dr. Waldee, to adjourn the meeting at 6:28 p.m. In a voice vote, all voted in favor. (Motion carried 4-0)

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Date approved

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Chair/Committee Member