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VILLAGE OF NORTH PALM BEACH AUDIT COMMITTEE

MEETING MINUTES

MARCH 7, 2018

ATTENDING:

COMMITTEE

Ed Katz

Don Kazimir

Emery Newell Esq.

Christian Searcy

Dave Talley

Tom Magill- Chairman

Absent

Richard Podell*

ADMINISTRATION

Andy Lukasik- Village Mgr.

Samia Janjua- Finance Director

Chuck Huff- Special Projects

COUNCIL

Bob Gebbia- Vice Mayor

Guests

Terry Morton – Nowlen, Holt et al

*Prior notice received.

Items Discussed:

1. Minutes of January 29, 2018 meeting were approved.
2. Investment Performance Review for Quarter ending 12/31/2017, were discussed. No impact of cash management change previously authorized is expected to appear before 3/31/2018 report.
3. Terry Morton Jr., CPA representing Nowlen, Holt & Miner, and P.A. presented the draft 2017 Comprehensive Annual Financial Report. The audit report indicates complete compliance with all applicable legal and accounting requirements. Mr. Morton took particular note of the 2016 Certificate of Achievement award given to North Palm Beach for "Excellence in Financial Reporting." The award, made by the Government Finance Officers Association is a recognition of the performance of the NPB Finance Department. The Committee extends its compliments to NPB Finance Director, Samia Janjua and her staff for their continuing outstanding performance. Our thanks to Mr. Morton and his colleagues for their performance and in particular conformance to schedule. Formal Auditor report to Council is scheduled for March 22.

The Committee takes particular note of the increase in Unallocated Fund balance from \$10.72 million to \$11.81. This represents 54.99 % of estimated FY 2018 General Fund expenditures. Council is urged to continue to exercise prudence in maintaining an adequate balance in this fund.

4. Mr. Lukasik and Mr. Huff provided an overview on the status of the Clubhouse Project. A revised RFP to potential restaurant vendors will be sent out this week. No firm demolition/construction cost has yet been established with the contracted supplier. Discussions continue with the plan on reaching agreement in time for the scheduled demolition to occur in May.

In the event, the contracted cost exceed the existing uncommitted balance on the \$15 million loan, the Committee suggests the unallocated fund balance be the source of any needed funding.

5. Golf Course Renovation: At the Audit Committee meeting of August 21, 2017, we approved a loan of \$1.5 million from the General Fund to the Enterprise Fund to cover the course renovation scheduled to begin May 1, 2018. Our discussion suggested that the loan authorization be increased to \$1.7 million to cover any eventuality. The funds to be provided on an “as needed” basis. Total interest charge to be 2.09%. However, no repayment or interest be required until the course reopens in the 4Q 2018. Term of the loan to be 10 years.

It is of note that roughly \$200K in 2018 debt service on the existing course loan will come from our Unallocated fund balance since the Enterprise Fund will not be generating revenue.

The meeting adjourned at 5:45

Tom Magill

Chairman.