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VILLAGE OF NORTH PALM BEACH

AUDIT COMMITTEE

MEETING MINUTES

OCTOBER 2, 2017

ATTENDING

COMMITTEE

ADMINISTRATION

ED KATZ

ANDY LUKASIK-VILLAGE MANAGER

DON KAZIMER

SAMIA JANJUA-FINANCE DIRECTOR

EMERY NEWELL ESQ.

CHUCK HUFF- SPECIAL PROJECTS DIRECTOR

DAVE TALLEY

TOM MAGILL – CHAIRMAN

NOT ATTENDING (PRIOR NOTICE RECEIVED)

RICHARD PODELL

CHRISTIAN SEARCY

ITEMS DISCUSSED:

1. Minutes of 8/21 meeting approved.
2. Special Projects Director, Chuck Huff outlined the status of the Clubhouse project. Progress continues on reaching generation of construction drawings. Current estimates provide for permit completion by mid-December and RFQ publication by February 1. Most recent look at the redesign cost indicates an added \$340K caused mainly by the change in restaurant design. Mr. Lukasik indicated he is in continuing discussion with the architect to evaluate this increase.

This added design poses some financial issues. Final total cost estimates put the construction and demolition costs in the range of \$15 .6 million. The Village loan of \$15 million has already had original design commitment of \$1 million and an added \$400K for temporary facilities. This means that only \$13.6 million of the original loan is uncommitted. Current completion estimate of \$15.6 million leaves a deficit that may have to be made up from the unallocated fund balance.

(\$ in million)	Total Loan	\$15	
	Committed	1.4	Original design and temporary.
	Balance	13.6	
	Current Estimate:	15.5	
	Possible Shortfall	1.9.	

Mr. Lukasik indicated that negotiation and cost reduction would continue. He further reaffirmed the Village intent to have demolition and construction contracts be signed at the same time. The Committee strongly supported this position. An updated RFQ to solicit restaurant service is being prepared.

3. The FY 2018 Village Budget was discussed. Particular note was made of the heavy debt service of \$1.6 million for the club and the existing course loan.
4. Discussion continued on the maintenance quality at the golf course. Mr. Lukasik expressed his continuing concern about the quality of the contracted company. He indicated a proposal under review to periodically utilize an agronomist to observe our progress.
5. The reduction of the Village Unallocated Fund balance came under review. The loan of \$1.5 million to the golf course and an estimated \$500k in emergency storm maintenance will reduce to the fund to about 35% of the 2018 budget. Our historical level has been >56%. Both of these reductions will eventually be restored. However, the Committee urges constant vigilance to avoid further reduction of this "safety net."
6. The meeting adjourned at 5:10 PM

Tom Magill

Chairman