TOWN OF LOXAHATCHEE GROVES

TOWN HALL COUNCIL CHAMBERS

155 F ROAD, LOXAHATCHEE GROVE, FLORIDA. 33470

FINANCE ADVISORY AND AUDIT COMMITTEE MEETING MINUTES

MONDAY, MAY 05, 2025 – 6:00 P.M. – 7:50 P.M.

Meeting Audio Available Upon Request in the Office of the Town Clerk

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CALL TO ORDER

The Finance Advisory and Audit Committee (FAAC) meeting was called to order by Committee Chairperson Manish Sood at approximately 6:00 PM in the Town Hall Council Chambers of Loxahatchee Groves, followed by the Pledge of Allegiance.

ROLL CALL

The roll call was conducted by Sammie Brown, Town Clerk Assistant, with the following members present:

Committee Members Present

- Chairperson Manish Sood
- Vice Chairperson Tracy Raflowitz
- Committee Member Sue Cacioppo
- Committee Member Frederick Hoo – Arrived at approximately 6:10 P.M.

Mr. Peter Lomuto was present, but his appointment to the Finance Advisory and Audit Committee had yet to be officially ratified by the Loxahatchee Groves Town Council.

Staff Present

- Sammie Brown, Town Clerk Assistant
- Committee Liaison Jeff Kurtz, Project Coordinator
- David DiLena, Projected Point, Inc, Town’s Finance Consultant
- Caballero, Fierman, Llerene & Garcia, LLP, Town’s Auditor

APPROVAL OF THE AGENDA

MOTION: CHAIRPERSON SOOD MADE A MOTION TO MODIFY THE AGENDA TO BEGIN WITH THE FY 2024 YEAR-END AND AUDIT DISCUSSION, FOLLOWED BY FY 2025 YEAR-TO-DATE, AND TO RESERVE ANY REMAINING TIME FOR RV RESORT DISCUSSION AND RECOMMENDATIONS. THE MOTION WAS SECONDED BY VICE CHAIRPERSON RAFLOWITZ AND PASSED UNANIMOUSLY (4-0).

Chairperson Sood proposed a time allocation for agenda items: 25 minutes for FY 2024 & audit, 25 minutes for FY 2025, and 10 minutes for any remaining topics. No vote was taken on the time allocation.

Chairperson Sood noted scheduling conflicts for future meetings. Committee Member Sue Cacioppo would be unavailable from May 8 to May 22, and Mr. Peter Lomuto would be unavailable from May 25 to June 5. It was proposed that the next meeting take place in the second week of June.

APPROVAL OF MINUTES

There were no minutes for approval on the Finance Advisory and Audit Committee Meeting Agenda.

PUBLIC COMMENTS

There were no public comments submitted or presented during the meeting.

REGULAR AGENDA

AGENDA ITEM: REVIEW OF FISCAL YEAR 2024 & AUDIT PRESENTATION

The Committee began discussion on the FY 2024 year-end and audit. Vice Chairperson Raflowitz asked whether the Town continued to operate at a shortfall, referencing a previously reported $528,000 gap between revenues and expenditures. Mr. Kurtz explained that both the FY 2024 and FY 2025 budgets were built with the understanding that reserves would be used to cover shortfalls.

Vice Chairperson Raflowitz inquired about the responsibilities of committee members under the Sunshine Law. Mr. Kurtz and Mr. Brown clarified that members could speak to residents but not to one another outside of publicly noticed meetings.

Mr. Peter Lomuto expressed concern regarding personnel costs and staff turnover. Committee Member Sue Cacioppo highlighted the potential negative impact of incentivizing revenue generation among staff and emphasized the long-term risk of relying on reserves to balance the budget.

Chairperson Sood presented a detailed analysis of FY 2024 finances. Revenues exceeded projections by $390,000 due to strong collections in building permits, utility taxes, and interest income. However, expenditures significantly exceeded budgeted amounts. Legal services were over by $130,000, capital equipment lease costs totaled $240,000 despite no budgeted allocation, and engineering costs were nearly four times over budget. Other overages included office supplies, machinery maintenance, and merchant fees.

He recommended a full review of legal and capital expenditures, stronger enforcement of budget policy, enhanced internal controls, and early Council engagement ahead of future audits. He also questioned how the Town's audit could return an A+ rating despite these overages.

The Town Auditor responded that the audit process is not forensic and adheres to materiality thresholds. Over-budget items are disclosed in the notes section of the audit. He confirmed that the audit is independent and not connected to the Town's internal operations. A specific overpayment in September 2024 had been identified and corrected by staff.

Vice Chairperson Raflowitz raised additional concerns about expenditures, noting items like hotels, meals, and purchases from Publix and Instacart being categorized as "education and training" or "office supplies." Mr. Kurtz explained that such expenses were tied to training and paid with Town-issued credit cards to avoid sales tax. The Committee requested clarification of the Town's per diem and hotel expenditure limits.

MOTION: VICE CHAIRPERSON RAFLOWITZ MADE A MOTION RECOMMENDING THAT THE TOWN ADOPT OR REINFORCE A SPECIFIC, WRITTEN POLICY GOVERNING EMPLOYEE TRAVEL, HOTEL, MEAL, AND TRAINING EXPENSES, INCLUDING CREDIT CARD USAGE, PER DIEM LIMITS, AND DOCUMENTATION REQUIREMENTS. THE MOTION WAS SECONDED BY CHAIRPERSON SOOD AND PASSED UNANIMOUSLY (4-0).

MOTION: CHAIRPERSON SOOD MADE A MOTION TO FORMALLY SUBMIT THE FY 2024 FINANCIAL FINDINGS AND RECOMMENDATIONS AS A FAAC REPORT TO THE TOWN COUNCIL, INCLUDING CONCERNS ABOUT THE AUDIT AND RECURRING OVERAGES. THE MOTION WAS SECONDED BY COMMITTEE MEMBER CACIOPPO AND PASSED UNANIMOUSLY (4-0).

Chairperson Sood asked for and received unanimous consent to extend the meeting by 30 minutes.

The Committee moved on to discuss the FY 2025 year-to-date budget status. U observed that revenue performance was consistent with projections and stable, especially in categories such as building permits and utility revenue. However, expenditure patterns were once again cause for concern. Legal services were already $80,000 over budget just five months into the year, merchant fees were trending significantly over, engineering costs were again high, and capital expenditures exceeded $130,000 with no specific budget line.

Vice Chairperson Raflowitz raised concerns about the labeling of transactions and asked for further documentation. She requested a copy of the procurement policy, clarification on per diem rates, and a breakdown of credit card holders and users.

Mr. Kurtz responded that Town credit cards were primarily used for training and departmental purchases. Some cards had spending limits, and he committed to providing the requested policies and information.

Committee Member Cacioppo expressed disappointment that the same fiscal challenges were recurring. Mr. Lomuto emphasized the need for stronger Council oversight and clearer expenditure controls. Chairperson Sood emphasized the importance of documenting these issues and continuing to advocate for forward-thinking advisory recommendations.

MOTION: VICE CHAIRPERSON RAFLOWITZ MADE A MOTION REQUESTING THAT THE TOWN PROVIDE THE FAAC WITH A COPY OF THE CURRENT PROCUREMENT POLICY, TRAVEL REIMBURSEMENT RULES, AND EMPLOYEE CREDIT CARD USAGE

GUIDELINES FOR REVIEW AT THE NEXT MEETING. THE MOTION WAS SECONDED BY CHAIRPERSON MANISH SOOD AND PASSED UNANIMOUSLY (4-0).

MOTION: VICE CHAIRPERSON RAFLOWITZ MADE A MOTION TO SUBMIT AN INTERIM FY 2025 REPORT TO THE TOWN COUNCIL OUTLINING CONCERN AREAS—SPECIFICALLY LEGAL, ENGINEERING, MERCHANT FEES, AND CAPITAL EXPENDITURES—AND REITERATING THE NEED FOR EXPENDITURE CONTROLS. THE MOTION WAS SECONDED BY CHAIRPERSON SOOD AND PASSED UNANIMOUSLY (4-0).

AGENDA ITEM: DISCUSSION ON BOVE COMPANY PRESENTATION OF THEIR ANALYSIS OF THE FINANCIAL IMPACT OF THE PADDOCK PROJECT ON THE TOWN'S REVENUES.

Due to time constraints, the RV Resort revenue projection item was tabled for discussion at the next meeting.

In closing comments, Chairperson Sood thanked the Committee members for their work and stressed the need to clearly document all concerns. Vice Chairperson Raflowitz, Committee Member Cacioppo, and Mr. Lomuto echoed support for increased transparency and accountability.

COMMENTS FROM THE PUBLIC

No public comment was submitted prior to the start of the meeting, and no public comment cards were submitted during the meeting.

COMMENTS FROM COMMITTEE MEMBERS

Committee Member Frederick Hoo

No comments were provided.

Committee Member Sue Cacioppo

No comments were provided.

Committee Vice Chairperson Tracy Raflowitz

No comments were provided.

Committee Chairperson Manish Sood

No comments were provided.

CONFIRM NEXT REGULAR MEETING DATE:

The next regular meeting was tentatively scheduled for the second week of June. Town Clerk Assistant Sammie Brown will work with members and staff to confirm a date based on availability.

ADJOURNMENT

Motion to Adjourn:

A motion to adjourn the meeting was made by Chairperson Manish Sood and seconded by Vice Chairperson Tracy Raflowitz, and the meeting adjourned at **7:50 P.M.**

ATTEST:

TOWN OF LOXAHATCHEE GROVES, FLORIDA

Sammie T. Brown, FRA-RP, MEDP
Town Clerk Assistant

Manish Sood
Finance Advisory and Audit Committee Chairperson