

# SWFRPC BUDGET & FINANCE COMMITTEE MEETING

## January 6, 2012

The SWFRPC's Budget & Finance Committee held a meeting/conference call on January 6, 2012 at the offices of the Southwest Florida Regional Planning Council. The following members and staff were in attendance:

### Committee Members

Councilwoman Teresa Heitmann, City of Naples (Chair)  
Ms. Laura Holquist, Lee County Governor Appointee  
Councilman Forrest Banks, City of Fort Myers  
Vice Mayor Mick Denham, City of Sanibel  
Mr. Bob Mulhere, Collier County Governor Appointee

### Others

Ms. Liz Donley, SWFRPC Interim Executive Director  
Ms. Nancy Doyle, SWFRPC Administrative Services Coordinator  
Ms. Janice Yell, SWFRPC Cost Accountant II  
Mr. Dan Trescott, Planner IV  
Ms. Deborah Kooi, SWFRPC Administrative Specialist II

### Item #1 - Call to Order

The meeting was called to order at 10:04 a.m.

### Item #2 – Approval of the September 14, 2011, October 6, 2011 & November 7, 2011 Minutes

**Councilman Banks moved and Vice Mayor Denham seconded to approve the minutes of September 14, 2011, October 6, 2011 and November 7, 2011. The motion passed unanimously.**

### Item #3(a) – Report on Public Comment

Ms. Donley explained that in September when the Executive Committee approved the 2012 Budget there was a public comment from Mr. David Crawford where he proposed an alternative staffing and budget for the FY2012 RPC functions. She was directed to review Mr. Crawford's proposal and report back. She reviewed Mr. Crawford's suggestions and given the RPC's funding streams and if Mr. Crawford's suggestions were implemented, the RPC would not be able to fulfill its obligations under the State and Federal grants. The difference between Mr. Crawford's suggestions and the FY2012 Budget which was actually implemented, Mr. Crawford suggested retaining the current planners and hiring another planner, keeping all staff on but at 38 hours, eliminating the administrative staff (finance, HR, administrative, etc.), and hiring one person to take care of all of those functions. Mr. Crawford also proposed decreasing the salary of the EDC Coordinator, who also is the Coordinator on the RPC's

Broadband Project and the Energy Resiliency Project. Looking at that proposed budget versus the RPC's funding streams, she doesn't believe that it is an attainable suggestion, but she does appreciate Mr. Crawford taking the time to put forward his comment.

Mr. Mulhere stated he also thanked Mr. Crawford for putting forward his comment, but there is a new Executive Director coming in and he feels that it should be status quo that if there are any significant changes such as those that would be outlined in this proposal, they would need to come from the new Executive Director.

Councilman Banks stated that a copy of Mr. Crawford's proposal be given to Ms. Wuerstle, because there may be something that she does like which she may not think of. But she doesn't have to use it. Ms. Donley stated that staff will make sure that Ms. Wuerstle receives a copy of Mr. Crawford's proposal.

Councilman Banks stated that he feels that there are some things in the report that the Council will be looking at and some things that the Council won't be looking at and that is why he feels that Ms. Wuerstle should see it.

Councilwoman Heitmann stated that the recommendation is to share the information with Ms. Wuerstle and further discussion might occur in reference to the report.

**Mr. Mulhere moved and Vice Mayor Denham seconded to direct staff to share Mr. Crawford's proposal with Ms. Wuerstle where further discussion might occur in reference to the report. The motion carried unanimously.**

### **Item #3(b) – Lee County MPO Update**

#### **Fiscal Impact**

Ms. Yell explained that the date keeps changing. Originally, it was to be March 16, 2012, but now it is February 1, 2012. She said that for her calculations she is going to stay with the original date of March 16, 2012 because she is more comfortable with it. If the MPO does leave before March 16<sup>th</sup>, than an amendment can be done, but she doesn't want to reduce the budget too much and then have a problem.

Ms. Yell explained that there is two parts to the fiscal impact. There is the 2012 Budget and the 2013 Budget. She is going to address the 2012 Budget when she does the amendments later in the year. But with the 2013 Budget, she took the 2012 Budget and removed the MPO grant revenue, MPO staff, and any fringe benefits attributed to them and she tried to include any savings anticipated in the copiers, since the MPO was the biggest user of the copiers, which would also affect the office supplies. She came up with an estimated shortfall of approximately \$200,337. Over the past three years, she also looked at the MPO's fringe and indirect costs and the revenue generated from those and it was an average of \$194,000 annually. So she is thinking that the Council's shortfall is going to be between \$194,000 and \$200,000.

Councilman Banks asked if there are things within the Council that are here just because of the MPO and all of sudden the MPO is dumping them. If so, then the Council needs to send the MPO a bill. Ms. Yell explained that staff had a meeting with Mr. Don Scott, Director of the MPO and with the MPO leaving

there is going to be some overlapping with the invoicing, plus at the end of the year when the Council adjusts for the fringe and indirect rate, they really need to leave something behind where if the MPO owes the Council money that the Council has access to it and whatever is left behind after everything is closed out can get sent to them. Mr. Scott suggested leaving the MPO's local funds which the Council considers their deferred because they don't use it unless they expend it. So the funds are sitting in the bank account until which time final figures are reached.

Councilwoman Heitmann asked what that amount is. Ms. Yell replied \$78,000 is what is left from what was carried over from last year, what has been expended, and they also took out \$50,000 in order to open up a bank account.

Councilman Banks stated to staff not to send anymore checks for him sign for the MPO.

Vice Mayor Denham stated that he agrees that the Council should retain some funds from the MPO to pay for any outstanding invoices. He feels that to try to collect from the MPO afterwards will be difficult. He agrees with Councilman Banks that some money should be retained from the MPO in an account which will be returned to the MPO when all of the bills have been finalized.

Councilman Banks asked if he refuses to sign any checks relating to the MPO will that hurt them. Ms. Donley explained that just before Christmas, the MPO withdrew \$50,000 in two \$25,000 checks to open up a checking account. Part of the discussion with Mr. Scott was why the MPO isn't starting to use that checking account to pay for the smaller expenses which keep cropping up and she did not receive a satisfactory answer.

Councilwoman Heitmann asked Councilman Banks what type of expenses he is signing for. Councilman Banks replied that sometimes they are for consultant fees. Ms. Donley explained that some of the checks are contractual, which federal money is flowing through FDOT and the RPC, where the MPO is the contractor and the RPC gets reimbursed. Then there are other expenses, such as the MPO putting together a retainer for their IT assistance. Vice Mayor Denham stated that he feels that the MPO should be taking those expenses out of the \$50,000. The Council should not be accommodating the MPO; the Council should be trying to retain as much money as possible at this time for any outstanding debts.

Mr. Mulhere stated that he agrees and then asked if the Council can segregate those items that the Council would have an obligation for because they are pass-through funds and the Council knows that they would get reimbursed from another entity versus those other payments that arguably the MPO should be paying for themselves and the Council should forward/return those invoices and say that we are not going to pay these, unless the MPO is willing to establish an account from which the Council will be able to pay those invoices and then reconcile after some period of time.

Vice Mayor Denham stated that he prefers the previous suggestion to return the expense related items, which are not pass-through items, for the MPO to pay those expense related items out of their \$50,000 which they had withdrawn.

Councilwoman Heitmann asked if the \$50,000 was the salaries. Ms. Donley replied no, the salaries are also like a pass-through expense. The Council gets reimbursed basically with federal funds for the salaries.

Vice Mayor Denham stated that the MPO's IT expense should be coming out of the \$50,000, that expense should not be coming out the account which is still with the Council.

Mr. Mulhere stated that anything that the Council is not at risk for getting reimbursed for, but anything that is normal day-to-day expense; why else did the MPO withdraw the \$50,000 for.

Councilwoman Heitmann asked for clarification on the MPO's request for withdrawing the \$50,000 and what were the terms. Ms. Donley explained that it was the result of the MPO Meeting on December 20<sup>th</sup>. They were originally just going to ask for \$5,000 and the MPO Board voted to set up an independent bank account with \$50,000. She noted that the \$50,000 amount was more than what she was allowed to approve, because in her opinion it was using commercial paper to buy cash and so she returned the request to them and said that at the very minimum that the request needed to be separated into two separate requests of \$25,000 each, which is a limit that she is allowed to sign without having to go before the full Council.

Vice Mayor Denham stated that he is very adamant that the Council does not pass anymore expense related items from the MPO, that they come out of the \$50,000 and there should be no further discussion.

**Vice Mayor Denham moved and Mr. Mulhere seconded to recommend that the MPO pay all of their expense related items, not pass-through items, out of the \$50,000 which they had withdrawn. The motion carried unanimously.**

Ms. Yell explained that the \$50,000 is sitting in the MPO's checking account and she has no access or control over the account. She has no idea how they are spending that money. She wanted to let the Committee know from an audit point of view.

Vice Mayor Denham stated to Ms. Yell that you don't need to know, it is the MPO's money and they can do what they want with the money.

Councilwoman Heitmann stated that Ms. Yell has brought up a very good point, because until the separation of the Council and MPO has happened, the Council is responsible and what are the procedures for making sure that the Council is relinquished of its responsibilities once the relationship with the MPO has been severed. Ms. Donley replied that the MPO has not come forward at this time with any separation agreement/plan. It is her understanding that the MPO's attorney was suppose to be coming forward with some sort of separation agreement to make sure that everything was nice and clean. She has since been informed that the audit that the MPO was going to have performed to do this, they haven't even finished reviewing the responses from their request for RFPs.

Vice Mayor Denham stated that the action which the Committee had just taken will force that to happen more quickly. We should move forward with the action and it will force these other actions to happen because we are putting the MPO in a position where they have to react. Right now it is not in their best interest to delay these things.

Councilwoman Heitmann stated that she feels that we need to respond to the MPO about the responsibility for addressing the separation agreement and a date by which we can expect it to go before the Executive Committee.

Vice Mayor Denham stated that discussion had already taken place and the MPO is delinquent in coming forward to it and the action that was taken will force them to come to us and then the discussion can begin.

Mr. Mulhere suggested directing Ms. Donley to send correspondence to Mr. Don Scott explaining what our position is relative to future payments for things for which the Council is otherwise not obligated to pay. In light of the fact that the MPO has opened an account just for these types of expenses, the Council will no longer be paying for those expenses and will be forwarding those invoices directly to the MPO. He believes that will "light a bit of fire under the MPO".

Councilwoman Heitmann stated that those procedures are something that she can support if we would ask the Executive Director to put that in the form of a letter to the MPO for the Executive Committee and Budget and Finance Committee, so that it is in writing. She then asked if anything has been sent to the MPO from the Council in writing. Ms. Donley replied no. We have received a notice from the MPO on September 16<sup>th</sup> which indicated that they were giving the Council a six month notice to sever the Staff Services Agreement, which would be effective on March 16<sup>th</sup>. So at this point, based on the formal information that the Council has received from the MPO they are not severing the Staff Services Agreement until March 16<sup>th</sup>.

Councilman Banks stated that the Council should make it a "one pager".

Councilwoman Heitmann stated with the caveat that the funding the Council will no longer be providing any other pass-through dollars.

**Councilman Banks moved and Vice Mayor Denham seconded to direct Ms. Donley to send correspondence to Mr. Don Scott explaining what the Committee's position is relative to future payments for things for which the Council is otherwise not obligated to pay. In light of the fact that the MPO has opened an account just for these types of expenses, the Council will no longer be paying for those expenses and will be forwarding those invoices directly to the MPO. With the caveat that the funding, the Council will no longer be providing any other pass-through dollars. The motion carried unanimously.**

#### Building Utilization

Ms. Donley reviewed the item as contained in the packet.

Vice Mayor Denham asked Ms. Donley if she had any more follow-up discussions with the United Way. Ms. Donley replied that she hasn't at this time because she wasn't certain about the square footage. Vice Mayor Denham stated that he had reached out to one of the Executives at United Way and let them know of the Council's situation, so he asked Ms. Donley to follow-up with the United Way.

Mr. Mulhere stated that he feels that it is a very good suggestion and what may be helpful in marketing the space is if we market the space with conference room and reception capabilities, which the costs can potentially be built into the rent.

Councilwoman Heitmann asked what will be total square footage that will be vacant when the MPO moves out. Ms. Donley replied approximately 1,200 square feet, plus there is empty office space due to the reduction in staff. She explained that the graphics section, which is currently located across from

the MPO section, could be relocated which would open up the whole upper section of the second floor. Also, to the left of the conference room downstairs the staff could be relocated upstairs.

Councilman Banks asked if there is probably 1,200 to 1,500 square feet that would be available. Ms. Donley replied easily. There is 1,200 square feet in one section, the library is 500 square feet and there is another 350 where former staff was downstairs.

Councilman Banks stated that Ms. Wuerstle is working with the Downtown Redevelopment Agency on obtaining information on where to live, etc. He will contact them and let them know that the Council has space available because they sometimes know of agencies looking for space.

Councilwoman Heitmann stated that she feels with all of the connections with our Council maybe we might want to look putting that information on the website. Another option is going through a realtor. She then asked if the Committee is in consensus of going through this process at least for the next month. The Committee was in general consensus.

Councilman Banks asked if anyone has given thought to what the charge would be for the space. Ms. Yell explained that when the MPO wanted to do a lease we were working on preliminary prices. She noted that it all depends on the services (internet, phones, etc.) which would be \$14 to \$15 per square foot.

Councilwoman Heitmann suggested that staff compile a sheet listing where the Council is, its expectations and which can be placed on the Council's website.

### **Item #3(c) – Report on Finance Operations Discussion with Auditors**

Ms. Donley explained that staff has had discussions with the auditors regarding the Council's in-house finance operations. The Council's Auditor, Mr. Jeff Tuscan, discussed with staff the Council's accounting software, where there is two big software programs available (QuickBooks and PeachTree), which are basically the same just two different vendors. Mr. Tuscan feels that the software that staff is using is fine, one of his suggestions is that staff increase the utilization of all of the features of PeachTree and staff have been working on that. This past week staff conducted an informal survey of the other RPCs to see what accounting software that they are using and it is basically all over the place. Some of them use QuickBooks, some use PeachTree and some use a combination of either one of those packages in Excel spreadsheets. Two of the RPCs use a specialized software package called Grants Management System and staff is conducting preliminary research into the cost of that software package and whether or not it is worth switching over to such a software package, but that is a decision further down the road. If it were to happen it would be a FY2013 decision. Overall, Mr. Tuscan is pleased and from an accountant standpoint he is comfortable with the manner in which staff is doing the Council's finances and accounting.

Councilwoman Heitmann stated that when both she and Ms. Donley met with Mr. Tuscan, he wants to encourage that the Council understand and take on a greater responsibility of understanding these financial procedures, which she feels that the Council tends to leave the responsibility to staff and Executive Director and that is where it should be; however, it is the Council's responsibility and she is sure that the Council understands that.

Ms. Donley stated that for FY2012 there is considerably more documentation showing where the Council's funding is going due to staff doing itemized timesheets which feed directly into the payroll. So now there is a lot more data which will make it easy to examine our budgeting and make putting together our FY2013 Budget easier. Councilwoman Heitmann stated to Ms. Donley that making staff do the itemized timesheets was definitely a step in the right direction and the other polices/procedures that have been put in place will also benefit the Council and the staff.

**Item #4(c) – FY2011 Audit – Preliminary Report**

Ms. Donley explained that the Council's FY2011 Audit was a clean audit. Mr. Tuscan has requested to attend the Council's February 16, 2012 meeting to present the audit.

Councilwoman Heitmann asked if any of the members had any questions regarding the preliminary audit.

Vice Mayor Denham stated that the Council is currently in a financial crisis which will be carried into the next fiscal year. He then said that he would like to have some clarification on how expenses are approved going forward. Do we intend changing the way we approve expense items and is there a dollar value that needs to have more scrutiny so that we be sure there is a cap on the Council's expenses going forward this year. Are there any changes in procedures that we may want to consider to be sure that we control all expenses?

Councilwoman Heitmann suggested since the new Executive Director is coming onboard, holding a Budget and Finance Committee where the Committee goes over in great detail the budgeting and financial policies so that the new Executive Director is familiar with them. At that point she feels that it would be appropriate in asking Ms. Wuerstle what she sees in moving forward and making changes because she agrees with Vice Mayor Denham. Vice Mayor Denham explained that within the City of Sanibel, the City Manager can't sign anything over \$2,000 without obtaining Council approval. Councilwoman Heitmann stated that she would like to leave the issue for Old Business discussion.

Ms. Donley explained that Ms. Wuerstle will be onboard full-time February 1<sup>st</sup>, but she will be in the office the week of January 16<sup>th</sup> and will be attending the January 19<sup>th</sup> SWFRPC Board Meeting. Vice Mayor Denham stated that he agrees with Councilwoman Heitmann's comments where it needs to be left to the new Executive Director, but he still feels that as a board we still need to make some recommendations for her consideration, such as how it will be administered or what sort of measures might she want to be put in place to do that. He feels that the Committee needs to make a recommendation of concern that is an area for her scrutiny, consideration and for her recommendation.

Councilman Banks stated that he feels that if the Committee lets both Ms. Donley and Ms. Wuerstle do that they will come up with something as long as the Committee tells them what they want.

Vice Mayor Denham stated that he used to sign the checks for the Council and frequently in his opinion there wasn't sufficient explanation for him to know whether or not he should be signing the check. So he feels that with the new situation and climate that the Council is facing there needs to be tighter control. He doesn't want the Council to make a decision on what those controls should be, but he just wants it to register to both Ms. Donley and Ms. Wuerstle that here is an area where the board wants some changes in policies and procedures.

Mr. Mulhere stated that he would support that because he is currently the Treasurer for the Council and he typically pulls aside four to five invoices which he doesn't know all of the details and then go to staff and get the information. He said that he assumes that there are already check signing policies in-place in terms of amounts, if there isn't then there should be. He then stated that he feels that it is a good idea for Ms. Wuerstle to consider that and then she could make some recommendations in conjunction with the audit presentation.

#### **Item #4(a) - Financials**

##### Monthly Update & Quarterly Report

Ms. Yell stated that she would like to address the quarterly report because it shows a snapshot of the Council's current financial status and she is concerned. Currently, the Council is running in the red by \$69,000 for the current fiscal year. Vice Mayor Denham stated that he feels that all expenses should be immediately frozen.

Councilwoman Heitmann asked staff what are the expenditures that have caused the Council to go over. Ms. Yell replied that she tried to conduct an analysis and where it states "use of local funds" over a three year period, the difference of \$74,000 is only local payroll as compared to last year which was only \$19,000. That \$74,000 is equivalent to July of last year.

Councilwoman Heitmann asked if it includes the payout of the former Executive Director. Ms. Yell replied no. Councilwoman Heitmann asked how can we cut back staff and hours and still be that much over in payroll. Ms. Yell explained that when the FY2012 Budget was done, the budget was based on grants and if you are hitting a grant the Council will be reimbursed and we are also able to charge some overhead and recoup some of that. If staff hits the local funds, the local funds are the local assessments.

Vice Mayor Denham asked what the difference between the budget and the actual is. Which expense items are the ones that are actually over? Both Ms. Yell and Ms. Donley stated that the budget is balanced. Ms. Yell stated that budget is still balanced; we are not over in any expense lines. She explained that what your net income is, the revenue that you are drawing in as opposed to the expenses going out. It is a different picture from the actual budget itself. As the employees charge to grants they are drawing that revenue in, but if they are not charging to a funded project then there is no generation of revenue. Vice Mayor Denham asked if the issue is that staff is charging to too many unfunded projects. Ms. Yell explained that part of the problem is, in the past the local funds have not been used that often by staff, mostly by the Executive Director. But now there is more staff charging to local (local assessments) who is generally non-funded, but the local funds are also applied to the fringe and indirect rates for a funded project.

Ms. Donley noted that this is an artifact of the DCA contract no longer being here, so instead of having the DCA charge number; staff is continuing to give technical support, comprehensive plan reviews, etc. Instead of having the DCA funding to charge those tasks to, staff is charging to the local assessment funds. So we are not seeing any new money come in. This is basically an artifact of not having the DCA money and the Council having that obligation statutorily to do comprehensive plan reviews and the decision of the Council that we would continue to answer the phone calls that come in for local technical assistance. So the concern is that we haven't found another place to generate dollars to help support that assistance. Staff has gone out and done meet and greets at a number of our partners offices talking

to planning staff, but at this point we have not generated any new contracts or agreements to fund staff to do that sort of planning work.

Councilman Banks asked if we are going to do that in the future then we need to come up with approximately \$250,000. Ms. Donley stated that was the amount of the last DCA contract and would basically cover the comp plan reviews. This is the issue that is going on at the legislature about the RPC being statutorily required to do things.

Vice Mayor Denham stated that he is concerned that we went through an enormous amount of anguish of reducing expenses to recognize the shortfall from DCA. What he is confused with and don't understand is that we have taken these actions to take care of the shortfall from DCA, but we still have this shortfall which he thought that we have taken actions to correct and it appears that we haven't. Ms. Donley explained that this is not a budget shortfall, this is a finance issue. If you were to look at the Council's books today, there is still a balanced budget and if we went to the end of the year functioning as we currently are, we would still have a balanced budget.

Vice Mayor Denham stated that our expenses would match our revenues, which is a balanced budget. Ms. Donley replied correct, because when we did the FY2012 Budget there was the money that was set aside for the Executive Director and also the surplus money. All those dollars were local dollars and those are the dollars that we are actually reaching into now. Vice Mayor Denham said that he is very pleased with Ms. Donley's comment, but if we continue to spend money like we are currently doing then at the end of the year there is still going to be a balanced budget, is that correct. Both Ms. Donley and Ms. Yell replied yes. Vice Mayor Denham then said, but in the first quarter there is a shortfall of revenue. In other words the revenue and expenses do not match. There is a revenue shortfall, so there is currently a deficit. Ms. Yell replied yes. Vice Mayor Denham said that during the next three quarters that will be corrected, so by the end of the year there will be a balanced budget. Ms. Yell said that it should, but when the budget was done it was based on employees charging to funded projects and if they don't charge to funded projects you will not get that revenue and you will have that revenue shortfall, which is what is happening now.

Vice Mayor Denham stated that according to Ms. Donley that if things go according to plan, we should finish up the year with a balanced budget. Ms. Donley said that if we are diligent in making sure that staff is charging to funded projects, then yes. Vice Mayor Denham stated that it is our responsibility that staff does indeed charge to those funded projects. Ms. Donley stated that is one of the places where the timesheets start becoming critical so that we have that look back. Vice Mayor Denham asked how much should he be worrying relative to this issue. Ms. Donley replied that if we get through the rest of the agenda and the Committee gives us a preliminary okay on the budget amendments then you should worry just a little. Vice Mayor Denham said to Ms. Donley that she already has his approval on the budget amendments and may be a few more. Ms. Yell stated that where you worry a little, she worries a lot.

Councilwoman Heitmann asked Ms. Yell in what area is she worried a lot about. Ms. Yell replied the net income. The net income being currently \$69,000 in the red and if employees continue to charge as they have been it is going to get bigger.

Councilman Banks stated that he agrees with Ms. Yell. Ms. Yell said that she has been through this before where she was told not to worry about it, but you need to worry about it. Councilwoman Heitmann asked what the formula is. Ms. Yell explained that the formula is basically expenses going out

and income coming in, it has nothing to do with the budget, and it is basically what we have spent and what we have received.

Councilwoman Heitmann stated whether you are looking at if it is direct, indirect or local. Ms. Yell explained that she is looking at local because it is her biggest concern. Councilwoman Heitmann asked what normally goes through local. Ms. Yell explained that in the past the Executive Director would use local funds, some employees would use local for unfunded small projects, but now with the absence of the DCA funding staff is charging to local and there is more staff charging to local than ever before.

Vice Mayor Denham asked what specific unfunded projects are being charged to local. Ms. Donley replied that Mr. Crawford has to conduct a comprehensive plan review for the City of Venice, last year he would have charged his time for that project to the DCA funds, but this year he is charging to local. So that is money which is coming out of local funds this year which didn't come out last year. Vice Mayor Denham asked if the expenses match the local funds that are appropriated for that particular project. Ms. Yell replied that the funds are going to that project and more. Vice Mayor Denham asked if there is a budget for that particular project in terms of revenue dollars. Ms. Donley replied no and that in FY2013 there will be because Ms. Wuerstle is going to be required to put together a work plan. So we will be able to use the information that is being generated now through our timesheets, so that we can actually do a tasked based budget. We will be able to say that a small size comp plan review takes x-amount of hours and we will budget x-amount of dollars for four comp plan reviews. Vice Mayor Denham asked why that can't be implemented immediately. Ms. Donley said that she would be more than happy to implement that process. Vice Mayor Denham stated that he doesn't want to be embarrassed by having another year with budget shortfalls. If we see this early in the year that there is a problem then immediate actions should be taken and staff needs to bring back to the Committee what those actions are as soon as possible.

Councilwoman Heitmann stated that since the local funds which are from the cities and counties they are being used appropriately. Ms. Donley replied yes.

Councilman Banks stated that the problem is that we are spending more than what we are getting in assessments.

Vice Mayor Denham stated then in other words we cut our expenses. Councilman Banks said that we can cut our services and if they complain then the other option is raise the local dues.

Councilwoman Heitmann asked how we will come up with an estimate on how much a particular comp review will cost. Ms. Donley explained that there are separate billing numbers and staff can run it through the PeachTree software and get a printout and then sit down and go through the timesheets where it states which comp plan review was performed and she can obtain and estimate for a small scale and large scale.

Mr. Trescott stated that under the DRI NOPCs it is showing a \$58,000 loss. Ms. Donley stated that it is not a loss; it is just money that hasn't been collected. Mr. Trescott stated that \$30,000 was collected in the month of December. He then said that he is expecting \$10,000 to come in and another \$25,000 for North Port Gardens. So if all of that money is collected the \$58,000 would go away. Ms. Donley said that would be correct, but because it has been invoiced that is not showing up as a negative to our bottom line. Mr. Trescott said that if the money came in during December and this is the end of the month financials, why it is still showing a negative. Ms. Yell explained that the \$58,000 is a net; it

reflects everything that came in and also everything that was spent as of December 31st. Mr. Trescott said it shows a negative. He said that there was a negative at the end of November of \$58,000 and then we collected \$30,000 during the month of December, so he doesn't understand why the \$30,000 is not counted in. Ms. Yell explained it is a combination of all of the DRIs, including the ones that are in the red because the money hasn't been collected. They are not like the regular grants where we know we have this much money, she doesn't know until she gets a deposit so it can't be added in there.

Vice Mayor Denham stated that Ms. Yell is correct, nothing can be put into the book of accounts until you actually got a check in your pocket.

Councilwoman Heitmann asked where the \$30,000 on the monthly financials is for December.

Mr. Trescott stated that it should be \$58,000 less the \$30,000 received during the month of December. Ms. Donley replied no, because there is Mr. Trescott's time/salary also.

Councilman Banks stated that this issue is not going to be settled here. Ms. Donley said that she will be happy to discuss the issue with Mr. Trescott after the meeting.

Vice Mayor Denham stated that the question has been asked and it needs to be left to both Ms. Donley and staff to report back to the Committee.

Ms. Yell referred to page 7 of the financials; there is a column which says DRIs. She also stated that there is another sheet which lists out all of the DRIs and NOPCs and breaks out every project, how much has been received in deposits, payments, what has been spent etc. Councilwoman Heitmann stated that she would like everyone to have a copy.

Councilman Banks stated to Mr. Trescott for him to review the spreadsheet and work with finance for accuracy.

Councilwoman Heitmann asked if the salaries are included in the \$58,900. Ms. Yell replied yes. Councilwoman Heitmann asked what salaries are for the DRIs. Ms. Yell replied that we have recorded revenue of \$24,000, but we have not collected all of that money at this time. With the DRIs, we spend the money first and then we invoice the applicant. Looking at the columns there is recorded revenues of \$24,000, but we spent \$28,000.

Councilman Banks suggested that staff work on this issue.

Ms. Yell stated that we started out with \$414,895, which included the search for the Executive Director and new air conditioners, if the Council decided to take some of the money and put aside for the new air conditioners. Ms. Donley stated that it also included the surplus that was put in the FY2012 Budget.

Vice Mayor Denham asked why money is being spent on new air conditioners. Ms. Donley explained that we had gotten a recommendation from our A/C vendor that probably within the next 3-4 years we would need to replace all four of the A/C units. So we thought that we would try to be frugal and save towards it. Ms. Yell said at the end of the year, if possible.

Ms. Yell continued by stating that -\$105,000 is the new Executive Director's salary, fringe and relocation for the remaining of FY2012. We are going to lose some revenue when the Lee County MPO departs,

approximately -\$168,000 so that brings it down to \$141,000 out of the \$400,000. However, there are other things that are going to affect the bottom line. We have to pay out leave to four employees when the MPO leaves which she needs to take that into account. We received two new grants in the amounts of \$76,000 and \$180,000 the Energy Grant and the Functional Assessment of Wetlands Grant. We are reducing DRIs from \$253,000 to \$170,000.

Ms. Donley stated that the Northeast Florida RPC grants, which were originally planned for 2012 have been postponed for 2013.

Ms. Yell explained that the Lee County Transportation Disadvantaged grant (\$7,400) is also part of the Lee County MPO, so when they leave they will be taking that particular grant with them. So the Council will be losing the last quarter of that revenue.

Ms. Yell then stated that the Council will be downsizing to one copier because the MPO was biggest user of the copiers. We are hoping to see a savings of at least \$11,000.

Ms. Donley stated that the \$139,000 is part of the surplus that was imbedded in the \$414,000 and those are local funds. The \$139,000 would be against which staff would bill that are doing local jobs.

Ms. Donley explained that the DRIs are basically a reimbursement. When a DRI comes in, we charge and get reimbursed for it. So by reducing DRIs in the budget, if we get more DRIs in that is a bonus. It doesn't impact Mr. Trescott at all.

Councilwoman Heitmann asked what the information is based on. Ms. Donley explained what happened in 2011 and compared to the first quarter of 2012. We barely made it to \$200,000 for the DRIs in 2011, based on the first quarter of Mr. Trescott's billing of what went to DRIs a little less than 75% of his time was DRIs, so if you carry that forward that justifies the reduction of the \$83,000.

Mr. Trescott stated that we don't know what is coming in, we do know that are new DRIs coming in and other changes which we are starting to work on. Ms. Donley stated that a budget amendment can be done when more money comes in. Mr. Trescott said that he doesn't want this to be used to lay him off or reduce his salary any further without letting him being able to justify this reduction.

Both Councilman Banks and Councilwoman Heitmann stated that they feel that is fair.

#### **Item #4(b) – Report on the Cost of the Executive Director Search**

Ms. Doyle explained that the total spent to date was \$23,826.91, which is comprised of salaries, advertizing, consulting, and travel and meeting expenses. The majority of it was salaries charged.

Councilman Banks stated that he feels that the process went very well.

#### **Item #5 – Other Business**

Ms. Donley stated that Commissioner Turner requested for her to mention that we need to send some members to Tallahassee for lobbying efforts, but we need to recruit some money to be spent on this activity in his opinion.

Councilwoman Heitmann asked what has happened in the past. Ms. Donley stated that she believe that one year the Council under rode a lobbying trip and that would have come out of local funds.

Councilman Banks said that all of us are going to be up in Tallahassee and know legislators very well and should be on our notes. He suggested that if FRCA has a legislative day that Commissioner Turner and another member should attend.

Councilwoman Heitmann asked if there is a motion to deny the request to take travel money out of the local funds. Councilman Banks stated that he doesn't feel that the local funds can withstand anymore expenses.

Councilwoman Heitmann asked Ms. Donley what is FRCA's plan. Ms. Donley explained that when she attended FRCA's December meeting, Mr. Ron Book stated that he believes that he could get money put back into the budget for RPCs, but they were concentrating more on two bills that were going through which would basically make it incapable for the RPCs to function. She then noted that there is a FRCA Policy Board Meeting next week that Ms. Laura Holquist will be attending.

Councilwoman Heitmann stated that she shares the same concerns as Councilman Banks, but she can't justify spending funds for lobbying.

Mr. Mulhere stated that he agrees and feels that this may give us the opportunity to put the pressure on FRCA to expect them to do the lobbying for us. FRCA needs to take the leadership on what we need to be promoting.

Councilwoman Heitmann stated that FRCA is not just a lobbying group; they also have gotten grants which this RPC has benefitted from. She then asked Ms. Donley to provide a report from the FRCA Executive Director's January 12<sup>th</sup> meeting of what the plans are, what the bills are, and what we should be saying and to who.

Councilman Banks said we need to know who the key players are.

Ms. Donley stated that she had another request from Vice Mayor Denham where he wanted to know what actions were being taken to push back on the fertilizer legislation. He looked at the FRCA legislation and it is not listed as one of their top three concerns and when she was up in Tallahassee in December she attended a meeting with the lobbyist for the Florida Association of Counties Small County Coalition, Florida League of Cities and both of them were aware of the fertilizer ordinance and were working hard on it and also knew that it was a concern of FRCA.

Councilwoman Heitmann asked if there is a legislative meeting planned for anytime soon. Ms. Donley replied no; however, both she and Mr. Crawford met internally to identify those bills that are of interest based on what the Council have said and will be part of the agenda packet.

Councilwoman Heitmann asked if anyone else is going to the FRCA meeting. Ms. Donley replied that she doesn't believe so.

Mr. Mulhere asked if the 2012 Nomination Committee has met. Ms. Donley replied that the Nominating Committee is scheduled to meet next week.

Councilwoman Heitmann asked when the elections of the new officers for the Council are. Ms. Donley replied at the January meeting. The Nominating Committee will bring forward a slate to the Council at the January meeting.

**Item #6 - Set Next Meeting Date and Time**

The next meeting was scheduled for Friday, February 3, 2012.

**Item #7 - Adjournment**

The meeting adjourned at 11:24 a.m.

APPROVED