



City of Hallandale Beach Community Redevelopment Agency

400 S. Federal Highway
Hallandale Beach, FL 33009
www.cohb.org

Chair Joy F. Cooper
Vice Chair Keith S. London
Director Michele Lazarow
Director Anthony A. Sanders
Director Anabelle Taub

Executive Director Roger M. Carlton
HBCRA Attorney Steven W. Zelkowitz
Clerk to the Board Mario Bataille, CMC

Meeting Minutes

Monday, January 23, 2017

6:05 PM

Commission Chambers

1. CALL TO ORDER

Chair Cooper called the meeting to order at 6:37 PM.

2. ROLL CALL

Present 5 - Chairperson Joy F. Cooper, Vice Chair Keith S. London, Director Michele Lazarow, Director Anthony Sanders, and Director Anabelle Taub

Interim Executive Director Frastai and HBCRA Attorney Zelkowitz were also present.

3. PLEDGE OF ALLEGIANCE

4. PUBLIC PARTICIPATION - Items not on the agenda (Speakers must sign-in with the Clerk prior to the start of the meeting)

Chuck Kulin spoke in favor of the special audit of the HBCRA.

5. ORDER OF BUSINESS

6. PRESENTATIONS

7. DIRECTOR COMMUNICATIONS - Items not on the Agenda

A. DIRECTOR LAZAROW

No Communications.

B. DIRECTOR SANDERS

No Communications.

C. DIRECTOR TAUB

Director Taub inquired as to why trees were removed from Ingalls Park and further requested staff to provide an update with respect to the removal of trees and fired gun shots in the southwest quadrant.

D. VICE CHAIR LONDON

Vice Chair London thanked Interim Executive Director Frastai for successfully maintaining HBCRA operations during this transitional period.

Vice Chair London encouraged the senior management team to foster open communications with the Board of Directors and also advocated for further personnel training.

Chair Cooper encouraged staff, if need be, to take sabbatical time off to complete a desired training program that is career related.

E. CHAIR COOPER

Chair Cooper spoke about providing a stipend for family daycare services. Chair Cooper further requested staff to look into and bring forth the current waiting list and what is the average cost for small daycare facilities.

Chair Cooper thanked Interim Executive Director Frastai for her dedicated service to the HBCRA.

Mr. Scott Cowan suggested the Board allot ten (10) minutes on the next five (5) agendas to discuss the application of parliamentary procedure.

A motion was made by Vice Chair London, seconded by Director Lazarow, to place Mr. Scott Cowan on the HBCRA Board of Directors Meeting Agenda, before the Order of Business, to briefly discuss parliamentary procedure until March 13, 2017.

Ayes: 4 - Vice Chair London, Director Lazarow, Director Sanders and Director Taub

Nays: 1 - Chairperson Cooper

8. APPROVAL OF DRAFT MINUTES**A. DECEMBER 19, 2016 HBCRA BOARD OF DIRECTORS MEETING DRAFT MINUTES**

A motion was made by Vice Chair London, seconded by Director Lazarow, that the Minutes be approved. The motion carried by the following vote:

Ayes: 5 - Chairperson Cooper, Vice Chair London, Director Lazarow, Director Sanders and Director Taub

Nays: 0

9. CONSENT AGENDA**10. AGENCY BUSINESS**

- A. A RESOLUTION OF CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING THE APPLICATION OF H&M DEVELOPMENT LLC, ON BEHALF OF BEACON HALLANDALE 26 LLC FOR FUNDING IN THE AMOUNT OF \$198,000 THROUGH THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY'S BUSINESS INCENTIVE/ENTICEMENT LOAN PROGRAM; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND DELIVER A PERFORMANCE AGREEMENT AND ALL RELATED LOAN DOCUMENTS AND ESTABLISH ACCOUNTS AS NECESSARY; AND PROVIDING AN EFFECTIVE DATE. (STAFF: INTERIM EXECUTIVE DIRECTOR)

City Clerk Bataille introduced the item.

Vice Chair London spoke in favor of the item.

Responding to Vice Chair London's inquiry with respect to the phrase "administratively approved", Development Services Director Klopp explained the City's adoption of the Regional Activity Center created form based codes which allow the development project to bypass the quasi-judicial hearing directly to the permitting process if it meets every regulation of the Code. Therefore, item 10A was administratively approved, because it met every regulation of the Code.

Responding to Vice Chair London's inquiry, Development Services Director Klopp explained the determination of the permit cost is based on the RSMeans or the contract cost, whichever is higher.

H&M Development representative Freddy Bulton stated the approximate cost of the Beacon Hallandale project is \$20 million.

Chair Cooper spoke in favor of the swiftness of form based codes.

There being no further discussion, Chair Cooper called the question.

A motion was made by Vice Chair London, seconded by Director Lazarow, that this Resolution be approved. The motion carried by the following vote:

Ayes: 5 - Chairperson Cooper, Vice Chair London, Director Lazarow, Director Sanders and Director Taub

Nays: 0

- B. DISCUSSION OF CITY OF HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY FINANCIAL OVERVIEW. (SPONSORED BY HBCRA BOARD OF DIRECTORS)

City Clerk Bataille read the title of the item into the record.

Interim Executive Director Frastai introduced the item.

Chief Financial Officer (CFO) Celeste Lucia provided a brief overview of the item and turned the discussion over to the panel of experts: Professor George R. Young, Florida Atlantic University Director of the School of Accounting and Stanley Foodman, CEO and Founder of Foodman Certified Public Accountant (CPA) Advisors.

Responding to Director Taub's inquiry with respect to implementing internal controls to prevent future issues, Mr. Foodman recommended creating an Independent Audit Committee comprised solely of CPAs who want to devote their time to the City to enhance the quality of life.

Dr. Young also elucidated the internal controls recommended by Marcum LLP.

Responding to Director Lazarow's inquiry, Mr. Foodman stated the misclassification of land acquisition depends on a number of issues: the number of hands in the books, the lack of follow-up on behalf of staff, understanding the purpose of the underlying documents, and determining the classification of an asset, such as what's not liquid, can't be spent.

Dr. Young mentioned an audit is not an adequate substitute for internal controls, because internal controls are customarily carried out by individuals who work at the agency on a daily basis and are subsequently more likely to be able to catch any irregularities.

Responding to Chair Cooper's inquiry with respect to what should be done, Dr. Young mentioned the following options: to conduct a re-audit of the complete set of financial statements for the year ending in September 2015 or to conduct a limited scope audit of the capital assets and net assets held for resale, which is the least expensive option, but won't provide any assurance on any other part of the financial statements. Lastly, Mr. Foodman elaborated on conducting a forensic audit, which entails the auditor determining whether or not the financial statements are stated fairly. Nevertheless, Mr. Foodman recommends something more limited in scope since the point of the meeting is the capital assets and net assets held for resale. He suggested looking into the September 2015 balance sheet as a starting point and rolling it forward under the direction of CFO Lucia.

Dr. Young concurred with Mr. Foodman with respect to conducting a re-audit or a limited scope audit.

Attorney Zelkowitz clarified the HBCRA has only one (1) fund, the HBCRA Trust Fund which may not be as in depth in nature as described by the panel of experts. Therefore, Attorney Zelkowitz recommended conducting a re-audit starting from the establishment of the HBCRA Trust Fund in 2012.

Vice Chair London spoke in opposition to solely focusing on capital and net assets held for resale and further recommended determining what is the correct account balance when the Trust Fund was established in 2012 in addition to deciphering the capital and net assets for resale.

Responding to Vice Chair London's recommendations, Mr. Foodman stated an in depth forensic audit, similar in nature to an internal cashflow analysis, would need to be conducted.

Executive Director Zelkowitz clarified the HBCRA has adopted the City's Procurement Code.

The not-to-exceed amount for the forensic auditing services will depend on the condition of the books when the scope of services is established.

A motion was moved by Vice Chair London, seconded by Director Lazarow, to engage the services of Foodman CPA Advisors to establish the scope of services and conduct the HBCRA forensic audit, including determining the correct account balance when the Trust Fund was established in 2012 in addition to deciphering the capital and net assets for resale, and for the new Executive Director to bring back an RFP at the February 13, 2017 HBCRA Board of Directors Meeting for discussion and approval. The motion carried by the following vote:

Ayes: 5 - Chairperson Cooper, Vice Chair London, Director Lazarow, Director Sanders and Director Taub

Nays: 0

**C. DISCUSSION OF HIRING OF THE EXECUTIVE DIRECTOR FOR THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY.
(STAFF: INTERIM EXECUTIVE DIRECTOR)**

City Clerk Bataille introduced the item.

Interim Executive Director Frastai provided a brief overview of the item.

Chair Cooper shared a conversation she had with incoming City Attorney Merino on whether the Office of the Inspector General (OIG) recommended the separation of the City Manager and Executive Director roles, City Attorney Merino stated that was not the advice rendered by the OIG.

Vice Chair London moved to hire Mr. Roger Carlton as the new HBCRA Executive Director. The motion was seconded by Director Taub.

Vice Chair London, as per the advice of Attorney Zelkowitz, amended his motion to include the following condition "upon the hiring of City Manager Roger Carlton at the

January 25, 2017 Regular Commission Meeting.

Chair Cooper thanked former City Manager Miller for enduring the investigation conducted by the OIG.

A motion was made by Vice Chair London , seconded by Director Taub, to hire Mr. Roger Carlton as the new HBCRA Executive Director with the condition he is hired as the City Manager at the January 25, 2017 Regular City Commission. The motion carried by a unanimous vote.

Ayes: 5 - Chairperson Cooper, Vice Chair London, Director Lazarow, Director Sanders and Director Taub

Nays: 0

A motion was made by Vice Chair London, seconded by Director Lazarow, to bring back a resolution authorizing Executive Director Carlton to execute bank documents. The motion carried by the following vote:

Ayes: 5 - Chairperson Cooper, Vice Chair London, Director Lazarow, Director Sanders and Director Taub

Nays: 0

11. INFORMATIONAL ITEMS - No Action Required

A. MONTHLY FINANCIAL REPORT - DECEMBER 2016

12. HBCRA ATTORNEY COMMUNICATIONS

Attorney Zelkowitz mentioned, based on staff recommendations, a portion of the City Manager's salary will have to be allocated to the HBCRA.

13. EXECUTIVE DIRECTOR COMMUNICATIONS

Interim Executive Director Frastai informed she has been working closely with the Department of Public Works (DPW) staff on multiple projects involving the Fashion Arts and Design District (FADD). Due to the limited Project Managers in DPW, on an interim basis, Interim City Manager Frastai will be engaging the services of NV5 under her spending authority to begin moving forward the FADD. As per Interim City Manager Frastai's direction, a full comprehensive overview of the entire project will need to be brought forward at the March 13, 2017 HBCRA Board of Directors Meeting, including a timeline, how the project will be funded, the impact to local business community etc.

14. ADJOURN

There being no further business, Chair Cooper adjourned the meeting at 8:33 PM.