

Town of Lauderdale-by-the-Sea

OFFICE OF THE TOWN MANAGER

Memorandum

Date: September 25, 2010

To: Mayor Roseann Minnet
Commissioner Stuart Dodd
Commissioner Birute Clottey
Commissioner Scot Sasser
Commissioner Chris Vincent

From: Connie Hoffmann, Interim Town Manager 

Subject: Town Manager's Report

Global Coral Reef Alliance

We have received several emails from Dr. Goreau and his attorney and the Town Attorney and I will be having a conference call with them next week to discuss amendments to the contract. As you have seen from emails I have forwarded to you, Cry of the Water has advised all of the permitting agencies that the project is on hold.

Current Payroll Budget

The payroll projections we have been working with in the current year assumed 26 payrolls, as one would expect. But as we've been refining our projections in the last few weeks it became clear that payroll in the current fiscal year would exceed the budget. We have discovered that the Town did not accrue the last payroll of FY 2008/2009 and that payroll was accounted for 100% in this fiscal year; none of it was allocated to the appropriate fiscal year. This is NOT generally accepted accounting practice. We are very surprised that the auditors did not note this in their management letter.

We obviously cannot go back and adjust the prior fiscal year to correct this issue. The result is that we will have to account for 27 payrolls in the current fiscal year, an extra cost of approximately \$80,000.

We believe we should get this straightened may have to walk on to the September 27th agenda an item to appropriate funds to cover some of these expenses from fund balances. We are analyzing whether funds can be transferred administratively within budgets to cover these expenses. In some cases there may not be sufficient funds and we will have to have you appropriate funds before the fiscal year ends.