

MINUTES
FORT MYERS BEACH
AUDIT COMMITTEE
Town Hall
2525 Estero Boulevard
Fort Myers Beach, FL 33931

Monday, October 8, 2018

I. CALL TO ORDER

Meeting was called to order at 9:00 a.m. by Chair Rodwell. Members present: John Goggin, Dan Hughes, Edward Lombard and James Rodwell.

Excused: Dick Cote

Staff Liaison: Robert Lange

II. PLEDGE OF ALLEGIANCE AND PUBLIC COMMENT

Leon Moyer voice concerns about the meeting agendas, minutes and public comment during the meetings. Mr. Lombard appreciated Mr. Moyer's comments and noted that they announced their schedule some time ago.

III. APPROVAL OF MAY 14 AND JUNE 11, 2018 MINUTES

MOTION: Mr. Goggin moved to approve the May 14, 2018 minutes; second by Mr. Hughes.

VOTE: Motion passed unanimously.

MOTION: Mr. Lombard moved to approve the June 11, 2018 minutes; second by Mr. Hughes.

VOTE: Motion passed unanimously.

Discussion was held regarding the Rules of Procedure for the conducts of meetings. Mr. Lange will follow up with the Town Manager.

MOTION: Mr. Lombard moved that, until the Town Manager provides new regulations, the Audit Committee will continue to proceed under Robert's Rules of Order; second by Mr. Hughes.

VOTE: Motion passed unanimously.

IV. FINANCIAL SOFTWARE UPDATE

Chair Rodwell confirmed that the ProSoft contract was signed and Mr. Lange will email copies to committee members. Mr. Goggin commented on the August 15, 2018 worksheet expenditures. Mr. Lange noted that he upgraded the licenses of two people and there will be an amendment to the contract for those additions. He stated that he hired a part-time person to assist with the audit process. He described various grants in process.

Mr. Goggin stated that he will contact staff regarding the Procedures Manual. Mr. Lange commented that they had a good starting document.

Mr. Lange reported that the new financial system met all of their expectations. He described various functions within the system and how the modules interacted with each other.

Mr. Goggin questioned whether the new system was able to forecast multi-year budgets and how capital improvement reserves were determined and monitored. Mr. Lange replied that the system had the tools to forecast multi-year budgets. He stated that all Departments submitted a list of assets with projected replacement dates. He indicated that \$700,000.00 was budgeted and the Departments spent \$300,000.00. The remaining \$400,000.00 rolled over.

Mr. Lange will email a draft of the September 30, 2018 financial report.

Mr. Lombard discussed appropriation of funds. Mr. Lange commented that capital budgets were considered multi-year while operating budgets closed out at the end of the year. Mr. Lombard discussed the projection process. Mr. Lange described tools and actions that helped with the process, including bringing the permit process in-house. Mr. Goggin remarked that local trends should be recognized when developing projections. Chair Rodwell and Mr. Lange agreed.

V. CLIFTON LARSON AUDIT ENGAGEMENT LETTER FYE 9/30/18 DISCUSSION AND RECOMMENDATION

Mr. Hughes mentioned the fine print. Mr. Lange described outstanding claims with the State and Federal Government.

MOTION: Mr. Lombard moved that the Audit Committee inform Council that they reviewed the Clifton Larson Audit Engagement Letter and it complied with the standard conditions and tasks required and they recommended approval; second by Mr. Goggin.

VOTE: Motion passed unanimously.

Town Manager Hernstadt addressed the Audit Committee's governing Ordinance.

Mr. Goggin requested the accounting for stormwater. Mr. Lange will provide a spreadsheet. Town Manager Hernstadt remarked that they were largely following the Jim Steele plan and they continued to pursue and secure grants. He noted that the gas tax funded the cost to resurface and reconstruct some roads. Mr. Goggin indicated that the stormwater analysis came up in relation to hiring the Angie Brewer company. The idea was to layer what Angie Brewer would do compared to actual expenditures. Town Manager Hernstadt explained that the company was hired to assist the Town with the loan process.

Mr. Hughes requested an overview of rate increases on the water side of the Steele plan. Chair Rodwell questioned the liabilities. Town Manager Hernstadt remarked that the Town could not design the water until Lee County completed the design of the stormwater. Mr. Lange will provide a report. He noted that they did not have liability with the stormwater at this point. Discussion was held regarding the hiring process for the auditor.

VI. ADJOURN

MOTION: Mr. Lombard moved to adjourn the meeting; second by Mr. Hughes.

VOTE: Motion passed unanimously.

Meeting adjourned at 10:35 a.m.

Adopted _____ with/without changes. Motion by _____
(DATE)

Vote: _____ Signature: _____

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DRAFT