

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

Monday, November 30, 2020

I. CALL TO ORDER

Meeting was called to order at 9:00 a.m. by Chair Hughes. Members present: Dick Cote, John Goggin, Dan Hughes, Joseph Kirkbride, Edward Lombard, Jim Steele and Bryan Thomas.
Staff Liaison: Finance Director Walter Pierce
Council Liaison: Ray Murphy

II. APPROVAL OF MINUTES – November 9, 2020

Clarification: Audit Committee Member Lombard ~~verified that~~ questioned if the temporary loan from the operating fund to the stormwater fund was repaid. Finance Director Pierce replied affirmatively.

MOTION: Audit Committee Member Lombard moved to approve the November 9, 2020 minutes as amended; second by Audit Committee Member Cote.

VOTE: Motion passed unanimously.

III. DISCUSSION AND APPROVE DELETION OF TOWN INVESTMENT POLICY

Finance Director Pierce stated that the way the Policy was worded would generate potential criticisms and confusion and supported the Policy's deletion. He noted that Audit Committee Member Steele joined him in a meeting with staff to discuss options.

Finance Director Pierce noted that the combined balance sheet indicated the liabilities of the two loans and expenditures through September 30, 2020. He stressed that the statements were unaudited.

Audit Committee Member Steele drafted a new Finance Policy and deleted anything related to investments except for reporting. He questioned whether they should change the name of the Audit Committee to the Administration and Finance Committee. Discussion followed.

Finance Director Pierce felt the wording in the new Finance Policy was more confusing than the existing Investment Policy. He addressed the investment report specified in the Policy and noted that it needed to be modified and applied when applicable. He described his past experience with an Investment Policy and pointed out that the Town of Fort Myers Beach was not in the same situation. Audit Committee Member Lombard liked the cash flow analysis that the Policy required. Finance Director Pierce commented that he would provide a cash flow analysis.

Chair Hughes suggested that they review Audit Committee Member Steele's Finance Policy and incorporate a cash management provision. Finance Director Pierce stated that the Finance Department made numerous attempts to remove the Investment Policy over the years. Audit

kept out of Stormwater
motion to amend approved unanimously

Committee Member Steele suggested that they change their name to the Audit, Administration and Finance Committee. He reviewed his Policy. Audit Committee Member Kirkbride questioned whether the auditors would penalize the Town for deleting the current Investment Policy. Audit Committee Member Lombard replied that the statute would provide an investment policy, but they would not have a written one. Chair Hughes stated that if they deleted the Investment Policy, they would have nothing except Section 17 and internal controls were not addressed. Finance Director Pierce discussed the rigidity of some of the reporting specifications.

Audit Committee Member Lombard questioned whether the monthly cash management report would include a cash flow analysis. Audit Committee Member Steele replied affirmatively. Finance Director Pierce preferred the existing Investment Policy as compared to the new Policy. He noted that he would meet again with Audit Committee Member Steele to firm up his draft policy. Audit Committee Member Steele supported eliminating the current Investment Policy since the Town committed to providing monthly reports.

Audit Committee Member Goggin questioned what Finance Director Pierce needed to be in compliance with this year's audit. Finance Director stated that they met the training requirement; however, they did not provide an investment report to the committee because there was not enough to generate a report of any significance. Audit Committee Member Cote questioned why they could not say that a report could not be produced since there was nothing significant to report. Finance Director Pierce replied that a finance professional would not do that.

Council Liaison Murphy remarked that he would like to see the issue resolved today.

MOTION: Audit Committee Member Steele moved that he work with Town staff to draft a Finance Policy and submit it to the Audit Committee for approval prior to the December 31, 2020; second by Audit Committee Member Lombard.

VOTE: Motion passed unanimously.

MOTION: Chair Hughes moved to recommend that Town Council repeal Resolution 14-13, which created a statutory Investment Policy; second by Audit Committee Member Steele.

VOTE: Motion passed; 6-1 with Audit Committee Member Lombard dissenting.

Audit Committee Member Goggin agreed with changing the name of the Audit Committee. Audit Committee Member Lombard suggested that the Town Attorney investigate the issue. Chair Hughes suggested that they add the topic to the next agenda for discussion.

IV. WIRE TRANSFER POLICY APPROVED BY ATTORNEY

Finance Director Pierce reported that the wire transfer policy was approved by the Town Attorney.

V. MEMBER ITEMS

Audit Committee Member Lombard stated that the unaudited balance sheets did not include the information he requested. Finance Director Pierce indicated that he would provide the reports.

VI. ADJOURN

MOTION: Audit Committee Member Lombard moved to adjourn the meeting; second by Audit Committee Member Cote.

VOTE: Motion passed unanimously.

Meeting adjourned at 10:21 a.m.

Adopted 12/14/20 with without changes. Motion by Lombard
(DATE)

Vote: 7/0 Signature: [Signature]

- End of document