

MINUTES
FORT MYERS BEACH
AUDIT COMMITTEE
Town Hall Council Chambers
2731 Oak Street
Fort Myers Beach, FL 33931
Monday, April 8, 2024

I. CALL TO ORDER

The meeting was called to order at 1:35 p.m. by Vice Chair Leson.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Members present: Deborah Dutton, Jack Leson, Barbara Puffer and Marianne Sheely.

Excused: Bryan Thomas and Michael Hauser.

Staff: Finance Director Joe Onzick

Vice Chair Leson stated that Chair Taylor resigned and Liaison Safford ~~was not in attendance~~ was excused.**amended May 13, 2024.*

IV. REORGANIZATION – Nomination for Chair and Vice-Chair

It was tabled until the next meeting.

V. APPROVAL OF MINUTES – March 15, 2024

MOTION: Audit Committee Member Dutton moved to approve the minutes, seconded by Audit Committee Member Puffer.

VOTE: The motion passed unanimously.

VI. PUBLIC COMMENT – no public comment.

VII. ITEMS FOR DISCUSSION

- Finance Director Report

Director Onzick reported that there have not been many changes since last month. The FY2023 audit will tentatively begin on August 22, 2024, and fieldwork should be completed by the end of May, with the financial statements prepared and the audit completed by the June 30, 2024 deadline. He indicated that reviewing the emergency expenditures was time-consuming because some FEMA project numbers were not assigned until a year later. A master spreadsheet of individual projects and expenditures will be created to tie the details to the general ledger. He noted that operations were progressing smoothly with the addition of new staff. Director Onzick indicated that 11 of the 37 identified projects that had to be tracked were consolidated.

The utility billing department addressed unapplied payments and determined that they were overpayments that had not been applied to specific invoices. Refunds were due to some and others would have the payments applied to future billings.

As for the \$400,000.00 in old receivable balances, the utility department will investigate each outstanding balance and explain the situation. Some balances may be forgiven for demolished homes, while others might have to be enforced if circumstances warrant. Adjustments may have to be made for some overbilling because of water leakages.

- Financial Statements

Director Onzick corrected an error in the cash flow. The last report was run with an incorrect starting date and the updated version was provided in the agenda packet. He noted that nothing had changed since the previous report and that the town was doing fairly well. He reviewed specific items in the report and noted they were ahead by almost \$3 million this year. He added that the \$5 million loan from the state could be used for pre-approved FEMA projects. Budget worksheets would be distributed to department heads to adjust their budgets if needed for next year. He reviewed the timeline of meetings and events in preparation for the audit. Director Onzick commented that there may be an opportunity to discuss reviving the capital improvement plan in August. He stated that he planned to create a summarized view of funding sources instead of written explanations.

- Update on Possibility of Forensic Audit

Director Onzick stated that he and Liaison Safford spoke with Mauldin & Jenkins and Wade Sansbury regarding a forensic audit. Mr. Sansbury explained that he did not recommend pursuing a forensic audit without specific evidence of fraud. Audit Committee Members suggested setting up a hotline so people could anonymously report alleged financial wrongdoings. Director Onzick will share the information with Liaison Safford.

MOTION: Audit Committee Member Dutton moved to suggest that the town consider establishing an anonymous tip line to report financial and legal issues, seconded by Audit Committee Member Puffer.

VOTE: The motion passed unanimously.

MOTION: Audit Committee Member Puffer moved not to pursue a forensic audit at this time, seconded by Audit Committee Member Dutton.

VOTE: The motion passed unanimously.

- Update on Accounting Software Research

Three vendors have been identified, the software will be reviewed and quotes will be submitted. Director Onzick stated that local municipalities used the same system from Tyler and were very happy with it. Other options were explored for due diligence. Director Onzick noted that he would invite Audit Committee Members to review the software when demonstrations are scheduled.

- Update on Risks/Costs Related to Upcoming Demolitions Planned by the Town

Director Onzick has not yet received an update.

VIII. MEMBER ITEMS AND REPORTS – no items.

IX. NEXT MEETING – May 13, 2024 at 9:00 a.m.

X. ADJOURNMENT

MOTION: Audit Committee Member Puffer moved to adjourn; seconded by Audit Committee Member Sheely.

VOTE: The motion passed unanimously.

Adopted 5/13/2024 with/without changes. Motion by Michael Hoyer
(DATE) *Seconded by Bryan Thomas*

Vote: 6-0 Signature: Amy Bale, Town Clerk

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