MINUTES

Tuesday, February 1, 2012

JOINT WORK SESSION
FORT MYERS BEACH TOWN COUNCIL
AND
AUDIT COMMITTEE
TOWN HALL – COUNCIL CHAMBERS
2523 ESTERO BOULEVARD
FORT MYERS BEACH, FLORIDA 33931

I. CALL TO ORDER

Mayor Kiker called to order the February 1, 2012 Joint Meeting of the Fort Myers Beach Town Council and the Audit Committee at 9:00 a.m. Present along with Mayor Kiker: Vice Mayor Raymond, Council Members Kosinski, List, and Mandel; Audit Committee Members present were: Jim Rodwell, James Steele, Ed Lombard, and Dan Hughes. Also Present: Town Manager Stewart, Finance Director Wicks, and Town Clerk Mayher.

II. PLEDGE OF ALLEGIANCE

III. AUDIT COMMITTEE RECOMMENDATIONS TO COUNCIL

Mayor Kiker briefly explained the purpose of Joint Work Sessions which was to obtain consensus between the two groups as to the Committee's work efforts.

Jim Rodwell, Audit Committee Chair, reviewed two additional recommendations the Committee proposed to the Council: 1) to have one member of the Committee on stand-by during the actual audit in the event that an issue arises so that the Committee was aware of the issue and would be prepared to make recommendations to Council; 2) when the Auditor delivered the Financial Statement to the Finance Director, they requested that one member of the Committee be present. He requested Council approve the Audit Committee recommendations for the existing audit and future audits.

Discussion ensued regarding the original purpose for the creation of the Audit Committee per State Statute; additional duties that were permitted to be assigned to the Committee; the status of the current Auditor RFP and selection process; and reviewing the water utility operation by the Audit Committee.

Dan Hughes, Audit Committee, questioned the status of the appointing the fifth member to the Committee as noted in their enabling ordinance.

Town Manager Stewart reported the Town Clerk advertised for all vacant committee/board positions two days ago.

Town Clerk Mayher added that the vacancies were also advertised on the Town's website; and another ad in the town newspapers was scheduled.

Discussion was held concerning the ability offered in the Audit Committee's enabling ordinance to advertise for applicants "off-island"; the ability to exchange committee members between other committees (i.e. Bonita Springs); local newspapers and the geographical markets they reach; and the Council's ability to waive residency requirements for potential Committee applicants.

Mayor Kiker suggested the Town place a time limit on receiving applications from residents (i.e. 30-days) and then place the topic on an agenda for a vote.

Consensus was to limit the advertising for residents for 30-days, and then if no qualified applicants are received to reach out to other communities.

Town Manager Stewart discussed the basis for his concern as viewed from an operational standpoint regarding the request to have a Committee member present when the Financial Statement was delivered to the Finance Director.

Discussion was held regarding the Committee's request to have one member of the Committee on stand-by during the actual audit in the event that an issue arises so that the Committee was aware of the issue and would be prepared to make recommendations to Council; and when the Auditor delivered the Financial Statement to the Finance Director to have one member of the Committee be present.

Finance Director Wicks reviewed the stages of the audit process as it pertained to how the findings were presented to the Town Council and what action was required by the Town Council. She explained how the document would be presented to Council first, who would be asked to "accept" the document, then the Audit Committee could review it and make comments to forward to Council, and then it was up to Council to vote on approval of the audit.

Town Manager Stewart noted how when the audit was presented to the City there would be a management letter included from the auditing firm.

Finance Director Wicks explained how during the audit process if the auditor found any flaws, they come to the Town and ask questions about their findings, and then the Town has the opportunity to address any questions, all of which would be included as part of the final formal document.

Discussion was held concerning the length of the audit process; the Audit Committee's request to have a member present during the actual audit and when the audit was presented to the Town; clarification of the term "stand-by" used by the Audit Committee and how it could be used during the audit process; and

the need to establish guidelines and rules for the Audit Committee as it related to the "stand-by" member during the audit process.

Town Manager Stewart suggested that any policies crafted by the Audit Committee be approved by Town Council.

Mayor Kiker restated what he believed to be as consensus:

- Policy and procedures to be developed by the Audit Committee and Town staff which would eventually be adopted by Council;
- Council would support a "stand-by" Committee member during the audit process;
- Audit Committee "stand-by" member available for the first presentation of the audit to Council;
- Audit Committee "stand-by" member available during the acceptance process would be included in the policy and procedures; and,
- Audit Committee would interact with the Council during the final approval process.

Town Manager Stewart noted that the audit was confidential, per State statutes, until such time as the audit was completed and presented to the Town Council.

Jim Rodwell, Audit Committee Chair, reported, in general, the Committee was favorable to working with the Town on the water utility issue; however, he noted the Committee's first priority was to get the RFP completed for the auditing firm. He questioned the scope of the work for the water utility; the amount of volunteer time required for the water utility; and how the Sunshine Law would be related to their work on the water utility.

Discussion ensued regarding the Sunshine Law; and Town Manager Stewart recommended the Chair Rodwell meet with the Town Attorney discuss his questions on the Sunshine Law.

Consensus of the Council approved Chair Rodwell to request the Town Attorney discuss the Sunshine Law at a meeting as it related to the Committee and their work on the water utility; and that Town Manager and Council Member Mandel also be present at the meeting, if possible.

Ed Lombard, Audit Committee, requested clarification by the Council as to the scope of work for the Audit Committee as it pertained to the water utility.

Jim Steele, Audit Committee, explained how one member could review the water utility and then discuss the matter at an Audit Committee meeting.

Council Member Mandel discussed that an area of concern for him was "cash handling" and the other would be for an analysis or observation by the Committee as to whether or not the water utility should be "in-house".

Discussion ensued regarding the potential scope of work for the water utility (i.e. policy, financial software system, etc.); Mr. Steele offered to work as an independent volunteer on the water utility; and discussion was held concerning having an Audit Committee member present during the RFP process for

the future utility project on Estero Boulevard; and Town Manager Stewart reviewed the role of the Selection Advisory Committee during the RFP process.

Council Member Mandel reiterated that he would like to have the Audit Committee look at the areas of "cash handling" and an analysis or observation by the Committee as to whether or not the water utility should be "in-house".

Vice Mayor Raymond noted there seemed to be too many matters the Council was considering for the Audit Committee.

Jim Rodwell, Audit Committee Chair, explained that the Committee wanted to speak with Woodard & Curran and the Department of Public Works and then have them appear before the Committee to explain what work they perform; Mr. Steele could make his own observations; and then the Committee would discuss the scope of work further and then bring it back before the Council.

Council Member Kosinski suggested that if Mr. Steele was to go about to make his own observations, there should be clear direction, in written form, from the Council.

Mayor Kiker recapped that the Town Manager would arranged for the Town Attorney to attend a Committee meeting to review Sunshine Law; the Committee would discuss the RFP process and the water utility; if appropriate the Committee would prepare objectives to include in an introduction letter to Woodard.

Town Clerk Mayher noted the next Audit Committee meeting was scheduled for February 13, 2012 and reviewed potential information she would make available to the Committee (i.e. Procurement Policy, copy of the contract with Woodard & Curran, etc.).

Mayor Kiker asked if there was anything else the Audit Committee needed from the Town.

Jim Rodwell, Audit Committee Chair, noted the importance of appointing a fifth member.

IV. ADJOURNMENT

Meeting adjourned at 10:15 a.m.

Adopted 2-21-12 With/Without changes. Motion by Liot / Kosinski

Vote: 5-0

Michelle D. Mayher, Town Clerk

- End of document.