

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

Monday, November 9, 2020

**I. CALL TO ORDER**

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

**II. INTRODUCTION OF NEW COMMITTEE MEMBERS**

Bryan Thomas and Joseph Kirkbride introduced themselves.

**III. SELECTION OF NEW CHAIR AND VICE CHAIR**

Audit Committee Member Lombard nominated Dan Hughes as Chairman; second by Audit Committee Member Steele. No other nominations.  
Audit Committee Member Steele nominated Ed Lombard as Vice Chair. No other nominations.

**IV. APPROVAL OF MINUTES – March 9, 2020 and August 25, 2020**

**MOTION:** Audit Committee Member Lombard moved to approve the March 9, 2020 minutes; second by Audit Committee Member Steele.

Chair Hughes added to the following sentence: Chair Hughes commented on a conflict ~~regarding~~ between a Selection Advisory Committee provisions of Ordinance 17-01, which incorporates the purchasing of goods and services, policies and procedures manual and the Florida Statute. The conflict was between the Ordinance and Statute.

Audit Committee Members Lombard and Steele amended their motion and second.

**VOTE:** Motion passed unanimously.

**MOTION:** Audit Committee Member Lombard moved to approve the August 25, 2020 minutes; second by Audit Committee Member Steele.

**VOTE:** Motion passed unanimously.

## **V. INTRODUCTION OF WALTER PIERCE NEW FINANCE DIRECTOR**

Director Lange introduced Mr. Pierce and stated that he would remain in the position until the end of the year to manage the transition. Mr. Pierce reviewed his background and noted he would be a full-time employee based at Town Hall. Audit Committee Member Steele questioned whether Mr. Pierce would review the stormwater grant. Director Lange revealed that Senior Accountant Andre Heiting retired and two employees who left due to the coronavirus were replaced. He indicated they had a solid crew on board.

## **VI. DISCUSSION AND APPROVE DELETION OF TOWN INVESTMENT POLICY**

Chair Hughes reviewed the issue for new members. Director Lange continued to lobby for the deletion of the policy and requested that the Audit Committee review it again and use it as a guideline instead. He addressed the requirements set forth with the Investment Policy. Mr. Pierce agreed with treating the policy as a guideline.

Audit Committee Member Lombard noted the last two audits cited the lack of the annual continuing education requirement. He stated the Investment Policy required a routine and periodic cash flow analysis, which was a good thing. He felt the continuing education requirement was minor and he did not see a reason to repeal the policy. Director Lange explained that he took the course last year, but the auditors did not accept the courses as outlined by the FGFOA, even though the FGFOA was satisfied. He remarked that comments made by the auditors went to the state. When questioned by the state, Director Lange had to explain why the auditors made those comments. He added that they had to meet several qualifications beyond what the investment group required with the policy. Mr. Pierce concurred with Director Lange and stated that banks and financial institutions were particular with year-end audits and criticisms had other effects that could impact funding.

Audit Committee Member Steele stated that investments were not mentioned in the policy and they could change the name and rewrite it to clean up both situations. He suggested changing the name to the Town of Fort Myers Beach Operations Policy for Finance Director and he addressed changes in the document. Audit Committee Member Lombard supported the changes and suggested that they table their motion to repeal the policy and ask staff to draft a substitute proposal. Audit Committee Member Steele volunteered to assist staff with the draft.

**MOTION:** Audit Committee Member Steele moved to table consideration on the cancellation of the investment policy until the next meeting; second by Audit Committee Member Lombard.

**VOTE:** Motion passed unanimously.

## **VII. WIRE TRANSFER POLICY UPDATE**

Director Lange explained the difference between the old policy and the new policy including updating language and procedures. He indicated that the auditors wrote it up as a finding and stated that the policy needed to be updated right away. Audit Committee Member Steele questioned, including it in the rewritten Investment Policy discussed above.

**MOTION:** Audit Committee Member Steele moved to recommend that Town Council approve the electronic fund transfer policies and procedures; second by Audit Committee Member Lombard.

**VOTE:** Motion passed unanimously.

**VIII. MEMBER ITEMS**

Audit Committee Member Lombard questioned how much was borrowed from the State Revolving Fund (SRF) for stormwater and water. Director Lange explained the debt service and amortization schedules. He commented that he had \$13 million in stormwater as identified by the state and \$17 million on water. He indicated the loan constantly moved up and down. Director Lange stated that financial statements were on the website and he would email a copy to members monthly. Audit Committee Member Lombard verified that the temporary loan from the operating fund to the stormwater fund was repaid.

Chair Hughes questioned whether they should create a list of pending items and suggested that staff review previous minutes regarding questions raised that were not answered.

**IX. ADJOURN**

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

**VOTE:** Motion passed unanimously.

Meeting adjourned at 10:16 a.m.

Adopted \_\_\_\_\_ with/without changes. Motion by \_\_\_\_\_  
(DATE)

Vote: \_\_\_\_\_ Signature: \_\_\_\_\_

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