

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

**Monday, May 9, 2016**

**I. CALL TO ORDER**

Meeting was called to order at 9:00 a.m. by Chair Rodwell. Members present: Dick Cote, Dan Hughes, Edward Lombard, James Rodwell and James Steele.  
Staff Liaison: Maureen Rischitelli  
Council Liaison: Rexann Hosafros

**II. PLEDGE OF ALLEGIANCE**

**III. PUBLIC COMMENT** - No public comment.

**IV. APPROVAL OF MINUTES of April 11, 2016**

Changes/Additions:

- Mr. Steele questioned whether they would look at the ~~wording~~ awarding of large contracts for construction projects...
- Ms. Rischitelli will collect state requirements for approving budgets, transferring funds, ~~conditional~~ expenditures and moving money from one fund to another fund.
- Chair Rodwell stated that the Audit Committee would like to be informed immediately in the event that something was not materially correct.
- Mr. Steele volunteered to ~~work on~~ review the current budget.
- Mr. Lombard expressed his opinion that it may not be appropriate for the Audit Committee to participate in budget formulation.

**MOTION:** Mr. Lombard moved to approve the minutes as amended; second by Mr. Cote.

**VOTE:** Motion passed unanimously.

**V. CURRENT ITEMS**

- Town of Fort Myers Beach Fiscal Policies and Procedures

Mr. Steele stated that he blended his Fiscal Policies and Procedures draft from March 11, 2016 and the 2015 Florida Statutes to create the Fiscal Policies and Procedures draft dated May 7, 2016. He did not blend in the General Budget Policy draft provided by Ms. Rischitelli. Chair Rodwell noted that the Town lacked a budget policy (other than what was in the Charter), a beach grant policy and an equipment replacement policy. Ms. Rischitelli remarked that those policies will further develop as those will be the methodologies used to develop the elements of the capital improvement plan.

Mr. Lombard requested time to review Mr. Steele's paper and make his own assessment of how the two documents blended. Mr. Hughes agreed. Mr. Cote clarified that it was a good beginning but it was brief. Chair Rodwell commented that Town Council needed to know how to handle fund balances. Mr. Cote felt that the Florida Statutes could be referred to and summarized. Mr. Hughes remarked that quoted statutes should be referenced. Chair Rodwell questioned whether there was anything else that should be included in the outline. Discussion was held regarding *including* <sup>the</sup> creation of the debt management policy, investment policy, wire transfer policy and check writing policy. Ms. Rischitelli will email specific policies to committee members for their review.

Mr. Hughes questioned whether recommended policies by the FGFOA (Florida Government Finance Officers Association) and the GFOA (Government Finance Officers Association) were more comprehensive than what they had. Ms. Rischitelli stated she would pull a listing of policies from the websites. Mr. Cote noted that some of the policies existed in the Florida Statutes and could be summarized. Mr. Lombard remarked that they had to make sure those Florida Statutes were comprehensive. Mr. Steele questioned whether contingencies in the general fund budget were the same as an assigned emergency. Ms. Rischitelli replied in the negative. She stated that the contingency was putting money aside for an item that was not brought up during the budget process. The contingency in the general fund for the Town Manager was used for the 216 Connecticut parking. She discussed matching it to the audit. She will email a pamphlet describing the new fund balance to committee members.

Consensus was reached to focus on the budget process first. Mr. Hughes favored not repeating statutory language in policy; however, he noted it was good to have everything in one place. Mr. Lombard shared Mr. Hughes' opinion.

## VI. MEMBER ITEMS AND REPORTS

- Mr. Hughes questioned whether Town Attorney Lehnert requested the opinion of the State Attorney General in relation to special taxing districts. Ms. Hosafros replied in the affirmative and she updated committee members.
- Mr. Steele reviewed the water utility. He looked at the projected cost and expenditures prior to September 30, 2015 and \$1.5 million had been spent. The financial statements for March 30, 2016 showed that \$55,000 was spent on Segment 1 in a 6-month period. The Town indicated that several invoices had not been paid. Mr. Steele revealed that the unpaid invoices added up to \$3.4 million. The financials of September 30, 2015 did not indicate a liability. It was incurred between September 30, 2015 and March 31, 2016. He reviewed 5 invoices from Mitchell and Stark Construction totaling \$3.2 million. Despite the fact that invoices were received throughout the 6-month period, all were marked received on March 22, 2016. Ms. Rischitelli indicated that the invoice process had been changed. Discussion ensued. *To obtain unpaid invoices.*
- Chair Rodwell will meet with Town Manager Stilwell.

## VII. SET AGENDA FOR NEXT MEETING - June 13, 2016 at 9:00 a.m.

## VIII. PUBLIC COMMENT - No public comment.

## IX. ADJOURNMENT

**MOTION:** Mr. Lombard moved to adjourn; second by Mr. Steele.

**VOTE:** Motion passed unanimously.

Meeting adjourned at 10:08 a.m.

Adopted 6/4/2016 with/without changes. Motion by Ed Lombard  
(DATE)

Vote: 3-0 Signature: James W. Rhodes

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