

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

Wednesday, January 12, 2022

**I. CALL TO ORDER**

The meeting was called to order at 9:30 a.m. by Chair Steele.

**II. PLEDGE OF ALLEGIANCE**

**III. ROLL CALL**

Members present: John Goggin, Edward Lombard, Jim Steele and Bryan Thomas.

Absent: Richard Cote

Council Liaison: Ray Murphy

Staff Liaison: Cheri Russ via phone.

**IV. APPROVAL OF MINUTES – November 8, 2021**

**MOTION:** Audit Committee Member Lombard moved to approve the minutes; second by Audit Committee Member Thomas.

**VOTE:** Motion passed unanimously.

**V. PUBLIC COMMENT – no public comment.**

**VI. ITEMS FOR DISCUSSION**

**Town Financial Reports – November and December**

Audit Committee Member Lombard questioned why two months of Public Service tax revenues were \$160,000, but the November statement showed \$171,000. Ms. Russ replied that the tax would come in throughout the year and the number would vary. Audit Committee Member Lombard pointed out that the statements were labeled “current year actual.” Ms. Russ responded that one of the checks received was coded wrong and corrected. Audit Committee Member Lombard questioned why the last four items on page 4 were not budgeted. Ms. Russ indicated they were capital items, but she will look into it and get back to them. Audit Committee Member Lombard referred to Road Impact Fund Expenses on page 5 and questioned why curbs and sidewalks were separate from infrastructure. Audit Committee Member Lombard noted that if curbs and sidewalks were an unknown expense from road impact, why were they not budgeted? Town Manager Hernstadt explained that some items were not eligible for road impact fee expenses and an appropriation needed to be added to reflect that. He noted that it happened after the budget process.

Town Manager Hernstadt agreed with Audit Committee Member Lombard and stated they were working on budgeting all the capital funds.

Audit Committee Member Lombard questioned where he could find the reserve balance. Town Manager Hernstadt replied that reserves comprised several items and a specific amount of cash set aside for reserves. He added that he would send the list to members.

Audit Committee Member Goggin reiterated his request to see the comparable period from the prior year for trending. He stated that nothing in the budget told him whether the budget was on time, in line, or whether the town was doing well compared to last year. He described how the process worked in a previous position he held. Town Manager Hernstadt explained the town’s budget process and noted there was plenty of opportunity for input. Discussion was held regarding initiatives from Council Members. Liaison Murphy provided background on the process using the affordable housing initiative as an example.

Audit Committee Member Goggin commented that the Audit Committee could review the budget to provide guidance before budget hearings with staff. Town Manager Hernstadt did not think that was an appropriate role for the Audit Committee because Council set the budget and the millage. Chair Steele and Audit Committee Member Lombard agreed that it was not their role to set the budget. Chair Steele noted that Audit Committee Members could attend Town Council meetings and provide input. Audit Committee Member Goggin stated that he did not think there was an abuse of the budget, but there was an opportunity to provide more expertise to the Council in assessing the budget. Town Manager Hernstadt agreed that giving prior information to determine trends was a valid suggestion and he would work with the software company to add the information. Chair Steele indicated that when he was interim Town Manager, he had access to prior years’ numbers and could compare data. Mayor Murphy commented that he would be interested in having that information. Audit Committee Member Goggin discussed analyzing trends to help determine the budget.

**Audit Engagement Status**

Chair Steele stated that no one from the Auditors attended the Audit Committee meeting to present the budget. Town Manager Hernstadt noted that they said they would attend.

**VII. MEMBER ITEMS AND REPORTS**

Audit Committee Member Goggin acknowledged the number of grants awarded to the town and suggested that the Communications Coordinator submit a press release regarding their accomplishments. He noted that he was no longer a resident of Fort Myers Beach and would submit his resignation. He stated he learned a lot and had fun. Liaison Murphy thanked him for his service and wished him good luck.

Audit Committee Member Lombard thanked Audit Committee Member Goggin for his valuable participation and contributions over the years.

Chair Steele questioned the status of a new finance director. Town Manager Hernstadt stated they were still recruiting, but it was no longer an emergency due to existing staff capabilities.

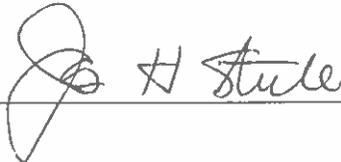
Chair Steele noted that the memorial service for Dan Hughes would be on February 26, 2022, at 11:00 a.m. at St. Rafael’s Church on Williams Drive.

**VIII. SET NEXT MEETING AGENDA AND DATE**

**1X. ADJOURNMENT**

Chair Steele adjourned the meeting at 10:20 a.m.

Adopted MAY 9, 2022 with/without changes. Motion by ED LOMBARD  
(DATE)

Vote: 4-0 Signature:  H Steele

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