

**MINUTES**  
**FORT MYERS BEACH**  
**AUDIT COMMITTEE**  
Newton Park  
4650 Estero Boulevard  
Fort Myers Beach, FL 33931

**Monday, May 11, 2015**

**I. CALL TO ORDER**

Meeting was called to order at 9:00 a.m. by Chair Rodwell. Members present: Daniel Hughes, Edward Lombard, James Rodwell, and James Steele.

Excused: Dick Cote

Council Liaison: Rexann Hosafros

Staff Liaison: Lisa Kolar and Maureen Rischitelli, *M. Rischitelli*

**II. PLEDGE OF ALLEGIANCE**

**III. PUBLIC COMMENT**

No public comment.

**IV. APPROVAL OF MINUTES** of March 9, 2015 and April 13, 2015.

**MOTION:** Mr. Lombard moved to approve the minutes of March 9, 2015 as amended, *as follows*  
second by Mr. Steele.

Add the following sentence to Member Items and Reports: Ms. Rischitelli replied that Town Council voted not to seek reimbursement.

**VOTE:** Motion passed unanimously.

**MOTION:** Mr. Lombard moved to approve the minutes of April 13, 2015 as amended, *as follows*  
second by Mr. Steele.

Replace the sentence in the Audit Report section: ~~He questioned unrestricted cash and net capital asset balances~~ with He questioned unrestricted cash and net capital asset balances on page 23 for the water utility and he distributed his analysis that showed the net capital assets were understated by about 2.5 million and restricted cash was overstated by about 2.5 million. *9/05/00*

Add the following sentences to the Audit Report section: Mr. Steele asked Mr. Sansbury if he was aware of the Red Coconut under billing for water usage of around \$500,000. He responded that he was not aware of the issue. Mr. Steele asked the auditors whether they reviewed minutes of the Audit Committee. Mr. Sansbury replied they were not reviewed. Mr. Steele stated that if they had been reviewed, they would have been aware of the Red Coconut under billing.

Under B. Stormwater Assessment Program, Mr. Steele questioned the role of the audit Committee in the review of the Stormwater Assessment Program.

**VOTE:** Motion passed unanimously.

Discussion was held concerning the work session with Council in June. Ms. Rischitelli indicated she would confirm the date with Town Clerk Mayher.

**V. CURRENT ITEMS**

**A. Audit Firm Evaluation**

*in a written statement*

Chair Rodwell indicated the Mauldin & Jenkins contract expired. Mr. Cote recommended that the firm be reappointed. Ms. Rischitelli recommended that the firm be rehired for another year to provide consistency. Mr. Lombard was in favor of retaining them. Mr. Hughes saw no reason to change auditors. Mr. Steele stated that the error they made of misclassifying water utility assets was inexcusable and he felt the under billing of the Red Coconut was material. He was disappointed that the firm did not review the Audit Committee minutes. Chair Rodwell stated the firm's reports were good and he did not want to change auditors. Ms. Rischitelli noted that she would include a condition for a mid-year site visit and require that the firm read the Audit Committee minutes.

**MOTION:** Mr. Lombard moved to recommend a one-year extension to the firm without a major adjustment in cost; second by Mr. Hughes.

**VOTE:** Motion passed; 3-1 (with Mr. Steele dissenting).

**B. Financial Management System RFP**

*revised*

Ms. Rischitelli recommended that the Audit Committee review the RFP and ~~select~~ a vendor for the project. Mr. Steele brought up the cost of \$250,000-500,000 and he stated that payroll needed to be a part of the system and not added on later. Ms. Rischitelli replied that most of the systems will integrate with a financial package. She recommended leaving the Main Street system as a standalone for historical purposes and starting fresh with a new system. Mr. Lombard questioned who was responsible for installation. Ms. Rischitelli replied that the vendor would create the conversion and staff would verify that it was operational. Discussion was held concerning retrieving old data.

**VI. MEMBER ITEMS AND REPORTS**

Chair Rodwell reported (~~inaudible~~) and that Council approved the corrected audit. He questioned the communication service tax in the legislature. Ms. Rischitelli responded that the state communication service tax would be affected, not the municipalities.

Mr. Steele questioned the status of new revenue sources. Ms. Rischitelli responded that grants were the only opportunity for new revenue at this point.

Council Liaison Hosafros commented on the Cape Coral fire protection fee. Ms. Rischitelli indicated she would research the issue.

**VII. SET AGENDA FOR NEXT MEETING - Monday, June 8, 2015 at 9:00 a.m.**

**VIII. PUBLIC COMMENT**

Mayor Cereceda indicated she would appreciate comments from the Audit Committee concerning the budget. She revealed that she talked publically about raising the ad valorem tax rate and she encouraged the Committee to share their opinions. Ms. Rischitelli noted she would provide a copy of the proposed budget as soon as it was ready, but she did have a historical analysis available.

**IX. ADJOURNMENT**

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

**VOTE:** Motion passed unanimously.

Meeting adjourned at 9:52 a.m.

Adopted 6/9/2015 with/without changes. Motion by Jim Steele  
(DATE) and by Dan Hugel

Vote: 4-0 Signature: Jane P. Lombard

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