

City of Marco Island Florida

*51 Bald Eagle Drive
Marco Island, Florida
cityofmarcoisland.com*



Meeting Minutes - Draft

Wednesday, March 24, 2021

9:00 AM

Community Room

Audit Advisory Committee

Chair: Jim Miller

Vice-Chair: William Rogers

*Committee Members: Dick Adams,
Michael Carr, Michael Cory,
Mike Hogan, Robert Hughes*

City Staff: Guillermo Polanco, Lori Rizzo

(1) CALL TO ORDER**(2) ROLL CALL**

Present: 7 - Member Adams, Member Carr, Member Cory, Member Hogan, Member Hughes, Vice-Chair Rogers and Chair Miller

(3) APPROVAL OF THE AGENDA

MOTION BY: Member Hughes, Seconded by Rogers that the Agenda be approved.

MOTION APPROVED BY THE FOLLOWING VOTE:

Yes: 7 - Member Adams, Member Carr, Member Cory, Member Hogan, Member Hughes, Vice-Chair Rogers and Chair Miller

(4) APPROVAL OF THE MINUTES

MOTION BY: Member Rogers, Seconded by Member Hughes that the Minutes for February 24, 2021 be approved.

MOTION APPROVED BY THE FOLLOWING VOTE:

Yes: 7 - Member Adams, Member Carr, Member Cory, Member Hogan, Member Hughes, Vice-Chair Rogers and Chair Miller

[ID 21-1467](#) Approval of the Audit Advisory Minutes for February 24, 2021

(5) NEW BUSINESS

Guest Speaker, Daniel Anderson will arrive 30 minutes late due to a traffic accident on I-75.

Finance Director Guillermo started the meeting by answering each individual email he received prior to the meeting from the Committee members.

Member Cory questioned the high dollar amount of the vehicles and equipment at \$78 Million, Director Guillermo said the utility equipment of pumps, motors, membranes, valves, scada and generators are all high priced pieces of equipment.

Committee member Hughes recommended adding Covid-19 and its affects to the report.

Member Hughes questioned the high number of police calls. Gil said it was self initiated calls because there was additional Police patrolling during the Covid pandemic and closed businesses on the Island. The City of Marco does not have an increase in its crime rate.

Vice Chair Rogers questioned the large claims in FY19 versus a reduction in claims for FY20. Per Guillermo, the newspaper headlined ex-employees had claims and the 1/2 million dollar workers comp claim for one employee.

Chair Miller asked about expenses reduced from FY19 to FY20. Due to Covid, a FEMA grant took care of expenses from the Police, Fire, Public Works and Utilities. In addition, the Utility had a lower depreciation in FY20 by 1.3 million. Long term debt was reduced by 6 million dollars.

Chair Miller also asked how the City chooses which banks hold its deposits. Gil said banks are selected by RFP. The City uses one bank which holds our operating funds: utility, payroll and sweep.

Member Adams expressed the CAFR was a good read. He also mentioned he was termed out as a AAC

member.

(a) Audit Report-Mr. Anderson, Mauldin & Jenkins

Mr. Anderson from Mauldin & Jenkins congratulated the Audit Advisory Committee on the great feedback that everyone gave to Finance Director Polanco on the CAFR.

Mr. Anderson gave the AAC an update on the Audit. The Partner review is completed. Guillermo will have the updated version of the CAFR with comments by the end of the day. The concurring partner will review tomorrow, so everything will be finalized.

There was a power point presented by Mr. Anderson to the Audit Advisory Committee which highlighted the Financial statement audit opinion, required communication and 2020 benchmarking.

(b) Required Communication to the Audit Advisory Committee/City Council-Mr. Anderson

Financial Statements and Accounting policies used by the City is the responsibility of the City and management.

Mauldin and Jenkins did not encounter any difficulties in performing the audit. There were no disagreements encountered with Management over accounting principles. Audit adjustments were made during the audit and were provided to Management. There were no uncorrected misstatements.

Mauldin & Jenkins is independent with respect to the City with auditing standards.

[ID 21-1509](#) City of Marco Island-AAC Presentation

(c) Commentary on City's Financials Results and Benchmarking-Mr. Anderson

Benchmarking is a comparison of the City of Marco Island to cities in Florida with similar; assessment of property value, population and pension plans.

The cities in the comparison are:

Key West, Naples, Winter Park, Aventura and Sunny Isles Beach.

The benchmarking was put together based on information Mauldin & Jenkins felt would be useful to the City and the Audit Advisory Committee. Committee Member Hughes asked if all Actuarial used the same discount rate. Finance Director Gil said the average used was about 7%.

There is also a Benchmarking comparison of the City of Marco Island Water & Sewer Rates.

Gil explained that the City of Marco water rates are very competitive at the higher levels of consumption and the water rates are higher at the lower end of consumption. The water rates will stay level for the next few years.

The audit was done by staff in a timely and accurate manner with no adjustments. The City staff did a great job.

Mauldin & Jenkins said there is no issue with the City of Marco's Cyber security. The IT dept should reevaluate to make sure a breach can be detected early. Director Polanco mentioned IT is hiring more staff and Gil has relayed cyber security suggestions to IT.

(6) PATH FORWARD

The Finance Director Polanco thanked the Audit Advisory Committee for all the work they had done the

entire year.

There is a press release with a link for those committee members that want to reapply for the Audit Advisory Committee. Lori will send a copy to all of the AAC.

Next meeting will be late June or July, after the new AAC members are assigned to the Committee.

(7) ADJOURNMENT

Meeting adjourned at 10:14 AM.