

City of Marco Island Florida

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



Meeting Minutes - Final

Friday, November 13, 2020

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

Chair Miller called the meeting to order at 9:00 AM

(2) ROLL CALL

Present: 6 - Vice-Chair Rogers, Member Hughes, Member Hogan, Member Cory, Member Woodworth and Chair Miller

Not Present: 1 - Member Adams

(3) APPROVAL OF THE AGENDA

MOTION by Member Rogers, Seconded by Member Hogan that the Agenda be approved, MOTION APPROVED BY THE FOLLOWING VOTE:

Yes: 6 - Vice-Chair Rogers, Member Hughes, Member Hogan, Member Cory, Member Woodworth and Chair Miller

Not Present: 1 - Member Adams

(4) APPROVAL OF THE MINUTES

[ID 20-1119](#) September 2, 2020 Audit Advisory Committee Meeting Minutes

MOTION By Member Hughes, Seconded by Member Woodworth that the Minutes of September 2, 2020 be approved as amended: added Member Woodworth's topics for discussion to (g) Other . MOTION APPROVED BY THE FOLLOWING VOTE:

Yes: 6 - Vice-Chair Rogers, Member Hughes, Member Hogan, Member Cory, Member Woodworth and Chair Miller

Not Present: 1 - Member Adams

(5) NEW BUSINESS**(a) Audit Status - Daniel Anderson, Mauldin & Jenkins**

Mr. Anderson said there was not a significant update from the last meeting he had with the Audit Advisory Committee on September 2, 2020. Mr. Anderson said Mauldin & Jenkins has completed most of the interim work. The fieldwork is scheduled for the second half of January. Gil has given M&J remote access into the City's network, so they can get a head start on fieldwork scheduled for January 2021.

Chair Miller asked Gil about the status of the City staff and the audit. The staff is internally closing FY20 and has accrued all FY20 invoices, especially the large projects. The Finance department is trying to have everything wrapped up by November 20. Director Polanco is hoping to get the Actuarial Reports by the third week of January.

Member Hughes asked Gil if he was prepared to meet all the commitments, questions and audit matters from the Auditor, Gil said that he and his staff were ready, the only concern was getting the Actuarial reports and preparing COVID-19 related reports.

(b) Ben Few III - Ben Few & Company, Risk Managers

Chair Miller explained to the Committee that the purpose of having Ben Few & Company, a risk

management company hired by the City at the Audit Advisory meeting was to learn about the City's risk management processes internally and externally and how it is monitored. Director Polanco introduced Ben Few and his son Ben Few, to the Committee.

Ben Few & Company has been working with the City of Marco for over fifteen years. They are a consulting and risk management company and do not sell anything. Ben Few & Company work for a flat fee.

Originally, City of Marco was in a Trust, which is no longer adequate for the City, the City is now self-insured. Ben Few & Company does an analysis annually for the City to make sure it is in the right program. Ben Few & Company look at current trends, claim volumes, workers comp, market conditions, catastrophic events (hurricanes, fires etc.) , current property rates. Comparing the City of Marco Island to other comparable cities, the City of Marco is doing a fine job.

Ben Few and Company works on a daily basis with Lina Upham, the Risk Manager for the City. Lina turns over all claims to Ben Few & Co. Risk Management is a larger portion of what Ben Few & Company do. They look at safety programs, claims handling, and loss control. The average total cost per claim is approximately \$100,000. The claims average per year is about \$430,000 which includes, workers comp and other casualty claims.

Member Cory asked Mr. Few if there is a correlation between a good and bad economy and a spike in claims. Mr. Few said during a bad economy claims do rise. Member Cory also asked when property value goes up do premiums also go up. Mr. Few responded market responds to losses, when capacity shrinks premiums go up.

Cyber Threats:

The City of Marco has full coverage with very good protection for cyber threats. If the City data was hacked and had to pay a ransom, we have insurance to cover that. The IT Dept. sends emails educating the employees that if an email looks suspicious, the employee is instructed not to open it and forward the email to IT. Per Lina, individual departments handle their own safety training. IT sends out blasts of information to employees to be vigilant with emails. There is specific protocol that must be followed if there is a threat.

Ben Few started Ben Few and Company in 1993 with an office in Ft. Myers. The company has 5 employees and a client base of 30-40.

Member Woodworth reconfirmed with Mr. Few, the self insured cap to be \$200,000, the deductible at \$100,000 and anything over \$100,000 would go to a carrier and \$350,000 on Workers Comp. Member Woodworth asked who administered the claims and Mr. Few said a third party adjuster (TPA) working for the carrier administers the claims. Also, Member Woodworth asked Mr. Few if they look into trends happening within City Departments, for example; police department lawsuits in the past. Mr. Few said they do look into trends.

Chair Miller thanked Mr. Few & Son for the great discussion on Risk Management.

(c) Covid-19 Impact On The Preliminary FY20 Financial Results - Director Polanco

Chair Miller asked how Covid affected the revenue and expense side of the City of Marco FY20 budget. Guillermo responded that Covid has not affected the Island like it has affected many other Communities, there is a huge rise in market values of homes and home sales. People are moving to Florida to get away from the shutdowns that are happening in some cities and to enjoy the outdoors.

The City has spent in FY20 \$453,000 on Covid related expenses, which would include Personal Protective Equipment (PPE), overtime, and additional cleaning in the City Buildings etc.

*Florida Dept of Law Enforcement- The City can submit a total of \$70,000 Covid expenses to FDLE for reimbursement.

**Florida Cares through the County allocated the City of Marco Island \$1,000,000 towards Covid related expenses. The Florida Cares money should be coming within 2 or 3 weeks to cover the \$453,000 expenses.*

As far as the FY20 Budget revenues are concerned, the regular General Fund revenue was \$80,000 over budget which is very good news for a \$25,000,000 Budget. The Water & Sewer Department revenue was over budget due to Covid because many residents remained on the island instead of traveling this year.

(6) PATH FORWARD

(a) Next AAC Meeting

Next AAC meeting will be a date in the first week of February 2021.

(7) PUBLIC COMMENT

None

(8) ADJOURNMENT

There being no further business before the Committee, the meeting adjourned at 10:08 A.M.

Lori Rizzo, Water & Sewer Administrative Assistant