

MINUTES OF THE WORKSHOP MEETING OF THE BOARD OF CITY COMMISSIONERS FOR THE CITY OF PORT ST. JOE, FLORIDA, HELD AT CITY HALL, MARCH 1, 2011 AT 5:30 P.M.

The following were present: Mayor Magidson, Commissioners Buzzett, Gingell, Stephens and Johnson. City Manager Charlie Weston, City Attorney Tom Gibson and City Clerk Jim Anderson were also present.

Richard McKinney the City Auditor from Carr, Riggs & Ingram, presented the Board with the 2009-2010 Audit Report.

He likes to compare the financials on a year to year basis, but the last four years have been hard to use comparative numbers.

The Utility Funds have been very volatile and the City needs to keep an eye on the Revenues and the expenditures over the course of the next year.

Overall the City had a \$242K operating cost loss for the year.

The loss did account for depreciation, but it's very important to be in the black with depreciation. The City has completed a Utility Rate Study which is important to know and he thinks Mr. Weston got a handle on the financials pretty quick after coming onboard with the City.

Findings:

Mr. McKinney indicated that the first two findings 10-01 and 10-02 are due to new standards that are required if your Auditors help prepare your financials.

Most Cities have these findings. The Auditor General's Office has not seen this as a problem and it's not practical for a City this size to hire people to handle this duty.

Mr. McKinney noted that 90-95% of the problems in finding 10-03 have been ironed out.

Finding 10-4 is intended to help reduce errors in the Accounting System. Right now the system is much cleaner, but during the changes while there was no fraud or loss of assets, the City was at risk.

Commissioner Johnson noted, "You are aware of the reduction in staff and the current workload. Do you think staff could have done a better job?"

Mr. McKinney responded, "It could always be better." With each internal control you have to weigh the cost.

With finding 10-05 Mr. McKinney believes that this one will be gone next year.

Mr. McKinney noted that in a City the size of Port St. Joe, we don't have perfect segregation of duties, but it's important to identify gaps to control. Everyone needs to be aware of it and limit your risk.

Commissioner Johnson asked, "How many cities this size have the same findings?"

Mr. McKinney responded, "A significant number of them."

Commissioner Johnson wants everyone to know that the \$2.7M listed on the Financials is not money in the bank that could be used to fix the Water System. This number includes City Assets.

Mayor Magidson is glad to hear that the efforts by staff have been successful.

Commissioner asked staff to make sure a copy of the Audit Report is transmitted to Regions as required by the new loan.

Mr. Weston thanked staff for their efforts during the 2009-2010 Audit Period.

The meeting was adjourned at 5:52 P.M.

Approved this 5th day of April 2011.


Jim Anderson, City Clerk


Mayor Magidson