

City of TYBEE ISLAND
Audit Committee Meeting
Monday, January 14, 2008
4:00 PM
Tybee Old School – Room 7

MINUTES

Member Attendance: John Major, Sam Adams, Freda Rutherford, David Birdwell, Jim Anderson, & Sue Off
Staff: John Redmond
Guest: Jan Fox

John Major called the meeting to order at 4:00 PM.

Sue Off motioned to approve the minutes from the December 10th, 2007 meeting, Sam Adams seconded. All approved.

UPDATE ON FINANCIAL STATEMENTS,

John Redmond passed out the unedited financial statement as of December 31, 2007. He then proceeded to review the revenues and expenses. Property taxes are on target; Licenses and permits were down \$145,000 as a result of the building downturn. Grants are short \$63,000. Charges for services are down \$375,000. this is primarily because of the parking lot being shut down. Fines and forfeitures are down \$31,500. Investment income is ahead by \$10,000 and miscellaneous ahead by \$3,000. Other financial services is ahead by \$2,000; this is a transfer from the Hotel/Motel tax. Overall the revenues are under budget by \$528,825. Redmond said this is pretty close to a final number for 2007. He said the two things outstanding are parking revenue and licenses and permits. David asked what is paid by residents? After discussion of revenue sources it was agreed that most income comes from non-residents. Jan asked if the contingency would be brought in to pay the budget adjustments? Freda asked if there would be a need to dip into the hurricane fund?

Discussion followed about expenditures. Freda noted that on page 40 the expenditures are under budget by \$455,969 so that the budget adjustment from contingency funds would need to be about \$75,000. Redmond agreed. Redmond then reviewed each enterprise fund and said that the water and sewer fund is the big worry. For 2007, revenues were about \$1.6 million with expenditures of \$2.6 million. He said council is likely to go to a tiered water rates which will balance the fund. Solid waste had a deficit. The city will put this out to bid by type and hope to get a better contract.

The campground is \$25,000 over budget. Major asked about the loan. John said the interest is in the budget but not the loan payments. The total expenditures over revenues is \$150,000.

Redmond said he will ask council to approve enterprise fund loans from the general fund for water & sewer, solid waste and the campground.

Redmond thanked Jan and Jim Kluttz for their eyes in reviewing the budget and catching errors. He handed out the 2008 budget and 2007 balance sheets. Freda proposed that the committee review at home and bring questions to the February meeting. All agreed to do so.

STATUS OF MAULDIN & JENKINS CONTRACT RENEWAL

John Major handed out an email from Craig Moye with dates for fieldwork. schedule to begin on March 17th. The audit committee is scheduled to meet on March 10th. Jan suggested that Redmond get the list of schedules to M & J prior to firming up the date to begin field work.

John Major asked Sam if he was willing to delay his GFOA training until the next meeting due to the lateness of the hour. Sam agreed.

REVIEW OF 2008 MEMBERSHIP STATUS.

Jim and David announced their interest in being reappointed to a new term. Sam also agreed to continue, but cautioned the committee that he may have more limited time. Major asked Jan if she was interested in filling the vacant seat. She agreed to consider doing so, but said her house is still on the market. Freda asked Jim, David, Sam and Jan to get their updated resumes to her to transmit to council before term expirations in March. She said including audit committee service would be a good idea since this is a new council and unfamiliar with the members. All will be up or a three year commitment and Jan would also since it is a new seat Major said.

DISCUSSION OF CONCEPT OF INTERNAL AUDITS

John Major handed out a Q & A on *Considerations for Internal Audit*. He said he thought Jan would be a good member to head up such a function. Sue commented that before we consider this we need to look at whether we are going beyond the scope of our charge. Major read from the ordinance that council or the city manager can assign other duties. Jan said it would be good to assess risk.

Major announced the next meeting on February 11th.

The meeting was adjourned at 6:00 PM.

Respectfully submitted,

Freda Rutherford, Secretary