

**CITY OF TREASURE ISLAND, FLORIDA
BOARD OF COMMISSIONERS MEETING MINUTES
July 15, 2008**

The meeting was called to order at 6:10 p.m. by Mayor Maloof.

A. PLEDGE OF ALLEGIANCE: Led by Mayor Maloof

B. ROLL CALL:

Mayor Mary Maloof		Present
Commissioner Phil Collins	District 1	Present
Commissioner Ed Gayton	District 2	Present
Commissioner Bob Minning – Vice Mayor	District 3	Present
Commissioner Alan Bildz	District 4	Present

C. PUBLIC COMMENTS:

Bob Lasher from the PSTA announced that there was going to be a fare increase, effective October 1st. It will be \$.25 per ride. They will be purchasing new hybrid buses next year. They are more environmentally friendly and much quieter. John Burke asked when the buses would be back across the causeway. Mr. Lasher stated that he didn't know because they were being forced to cut services. He said it would be looked at next year. Mr. Burke stated that it would help the tourists and the businesses in Treasure Island if they could take a bus directly to downtown St. Pete. Mr. Lasher explained that with funding problems and gas prices they were unable to do it now, but it would be looked at again in the future. Commissioner Bildz asked what happened to the compressed natural gas buses. Mr. Lasher said that they still had them, but they are not as economical to operate as they used to be. Mr. Lasher stated that their ridership is up about 12% this year.

D. APPROVAL OF MINUTES:

The minutes of the July 1, 2008 meeting and workshop are available for approval. It was moved by Commissioner Bildz and seconded by Commissioner Collins to approve the minutes as corrected.

E. ITEMS OF BUSINESS

1. Consideration of Res. 08-63, Purchase of Solid Waste Dumpsters

It was moved by Commissioner Bildz and seconded by Commissioner Minning to approve the resolution as read. Upon roll call the vote to approve was unanimous.

2. Consideration of Res. 08-64, Contract with JTV for Sewer Main Relining

It was moved by Commissioner Bildz and seconded by Commissioner Minning to approve the resolution as read. Upon roll call the vote to approve was unanimous.

3. Consideration of Res. 08-65, Audit Fee Adjustment

It was moved by Commissioner Minning and seconded by Commissioner Bildz to approve the resolution as read.

Commissioner Gayton stated that the auditor is supposed to report to the Commission. The auditor was present at the June 3rd workshop and didn't bring any problems to the attention of the Commission. He was also present at the June 17th meeting, and also did not mention a problem. The auditor directed a request to the City Manager asking for an additional \$11,000 due to them spending additional time to recreate journal entries and appropriate balances. He does not believe that it is their responsibility to recreate journal entries. Who will audit their journal entries? According to their fax, the dates that they did additional work were from April 1st to May 1st. The letter from the auditors stating that they find no problems and that they have audited the statements is signed March 25th. They are coming up with 94 hours from April 1st to May 1st. How can they make journal entries after they are telling us that the audit is complete? He stated that he finds it suspicious that they made journal entries after the audit was complete. He is not in favor of paying any additional money. They should have asked us for the additional fee before doing the additional work. He wants answers.

Commissioner Bildz stated that the reason that they gave was so that they could finish the audit, but it is dated after the audit was completed. Commissioner Collins stated that that was why he asked for those dates.

Mr. Silverboard explained that the audit was not completed until late May. He doesn't know why the date is March on the letter. Commissioner Gayton stated that they should never have given us a letter stating that they completed the audit on March 25, 2008. Mr. Silverboard stated that it was probably a form letter that they failed to change dates on. They did not complete the audit until May. This doesn't change the facts that the audit wasn't completed, and they had used all their hours by that time. Commissioner Gayton stated again that it is not a form letter. Mr. Silverboard stated that it is a standard format that they insert the names in. They were not finished the audit until late May. It isn't suspicious, other than a misdated letter. Commissioner Gayton stated that according to the City Charter they should have notified the Commission of any problems, and they are not responsible for journal entries. It is the Commission's responsibility to make sure that the auditor is doing his job properly. He would like to know what journal entries were changed, and why it took 94 hours to do so. There is a \$401,000 difference between what we thought the fund balance would be, and what it ended up being. He has questions to ask the auditor, and has questions as to why he made the journal entries and not the Financial Supervisor. Commissioner Bildz stated that he does not think that is unreasonable.

Commissioner Minning stated that he has spoken with Jeanine Bittenger and with Mark Santos regarding what happened with the conversion. It is his understanding that the 06-07 numbers were entered in, along with the 07-08 numbers. They were spot checked, which showed that the conversion was successful. When they got the complete numbers they found that they were incorrect. They could have either corrected it with InCode, or done the changes by hand. In the essence of time, they chose to

reconcile it by hand, which took up a lot of time. It would probably have been better to have the conversion corrected, but that wasn't the case. He does not think that the auditors did anything wrong. We deserve an explanation, but it is done. Commissioner Collins clarified that he wasn't casting aspersions on the auditor, but that this problem wasn't caused by Treasure Island. Commissioner Minning stated that he feels that Treasure Island holds some responsibility. InCode attempted to come back and correct the problem. Ms. Chapman stated that they were asked for their help, but it took a lot of time to get it, and the answer was not correct. The financial statements were management's responsibility. The journal entries were the responsibility of her office. She feels that the date in the reports was correct, as they had completed their field work at that time. The auditors were unable to be here tonight. Ms. Bittenger would be available on August 19th to answer questions if they want her to come in.

Commissioner Gayton read an excerpt from the auditor's letter which said that they issued their report in March. How can they issue a report if they are still making journal entries? Ms. Chapman stated that she will check in her auditing textbooks to see if that was appropriate. They had reviewed and taken responsibility as of the date that the field work ends. Commissioner Gayton read a list of dates that they were here making journal entries after the audit report date. They were not complete on March 25th. His concern is that we have two conflicting statements. One that they were still working in May and one that they were complete in March. He thinks that it is their responsibility to explain this at a Commission meeting. They should have discussed this at the workshop or meeting that they were here. We are responsible to the taxpayers of this city, and he has questions that he wants to ask the auditors. \$400,000 is a significant difference, and he would like to ask questions about it.

It was moved by Commissioner Gayton and seconded by Commissioner Bildz to table this item to the August 19th meeting. Upon roll call the vote to table was unanimous.

4. Consideration of Motion, Appointment of a Voting Delegate to the Florida League of Cities Annual Meeting

It was moved by Commissioner Gayton and seconded by Commissioner Minning to approve the motion nominating Mayor Maloof. Commissioners Collins, Gayton and Minning are not attending because they are unable to attend the entire session. Upon roll call the vote to approve was unanimous.

5. Consideration of Res. 08-69 St. Petersburg Wastewater Litigation

It was moved by Commissioner Gayton and seconded by Commissioner Bildz to approve the resolution as read. Commissioner Gayton asked for an estimate of the cost of litigation. Ms. Kiefer will send them an estimated budget. They will keep it as inexpensive as possible. This type of litigation has been done before. She will provide them with a preliminary budget. Mayor Maloof asked if these other cases were in the State of Florida. Ms. Kiefer answered in the affirmative. They will go into executive session to discuss the funds as soon as possible. It should not exceed \$10,000 through the end of the fiscal year. Commissioner Collins asked if we would be reimbursed for expenses if we prevail. Ms. Kiefer stated that we could not be. Commissioner Collins asked if the cities had prevailed in the other cases. Ms. Kiefer answered in the affirmative.

Upon roll call the vote to approve was unanimous.

6. Consideration of Res. 08-70 Waiving Chapter 164 Mediation

It was moved by Commissioner Bildz and seconded by Commissioner Minning to approve the resolution as read. Ms. Kiefer explained that this was similar to the time the cities were going to sue the county. She has been working with Kim Streeter from St. Petersburg. They both feel that this would be a waste of time. We have already met with them several times. They are still on the fence about it.

Commissioner Minning asked if there was a typo in the resolution. The word should be charges.

Upon roll call the vote to approve was unanimous.

G. ADJOURNMENT

The meeting was adjourned at 7:53 p.m. by Mayor Maloof.