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September 9, 2008

Honorable Eric Feichthaler, Mayor
City of Cape Coral
Post Office Box 150027
Cape Coral, Florida 33915-0027

Dear Mayor Feichthaler:

Attached is a draft report that presents the results of our follow-up procedures to determine the City's progress in addressing the findings and recommendations included in our report No. 2006-182 – Operational Audit of the City of Cape Coral for the period October 1, 2000, through March 31, 2005, and selected actions taken prior and subsequent thereto.

Please review the draft report and provide us your written comments, including any additional information that you believe would affect our determination, by October 9, 2008. Your written comments should be submitted electronically in its original format (e.g., Word or WordPerfect) and include your signature. For quality reproduction purposes, if you are not submitting your response in its original format, please convert your response to PDF and not scan to PDF. If technical issues make an electronic response not possible, then a hard copy (paper) response will be acceptable.

If you have any questions or desire further discussion on the status of the findings, please contact Marilyn Rosetti at (850) 487-9031.

Sincerely,

A handwritten signature in blue ink that reads "David W. Martin".

David W. Martin

DWM/jk

Attachment

c: City Council Members
Terrance Stewart, City Manager
Dona J. Newman, City Auditor
Mark C. Mason, City Director of Financial Services

****** PRELIMINARY AND TENTATIVE FINDINGS ******

SUMMARY OF FINDINGS

This report provides the results of our follow-up procedures for each of the findings included in our report No. 2006-182 and the City Manager's response thereto. Our follow-up procedures to determine the City of Cape Coral's (City) progress in addressing the findings and recommendations contained in our report No. 2006-182 disclosed that the City, as of the completion of our follow-up procedures in March 2008, had adequately addressed 10 of the 24 findings included in that report. The City had partially addressed 9 findings, had taken no action regarding 4 findings, and had no opportunity to address 1 finding.

BACKGROUND

The Auditor General is authorized by State law to perform audits of governmental entities in Florida. As directed by the Legislative Auditing Committee, we conducted an operational audit of the City of Cape Coral, Florida, for the period October 1, 2000, through March 31, 2005, and selected actions taken prior and subsequent thereto. Pursuant to Section 11.45(2)(l), Florida Statutes, the Auditor General, no later than 18 months after the release of report No. 2006-182, must perform such appropriate follow-up procedures as deemed necessary to determine the City of Cape Coral's progress in addressing the findings and recommendations contained within that report.

STATUS OF REPORT NO. 2006-182 FINDINGS

Finding No. 1: General Accounting Records

Previously reported

The City had not maintained its accounting records on a current basis, or periodically reviewed them for completeness and accuracy.

We recommended that the City ensure that its accounting records are maintained on a current basis and are periodically reviewed for completeness and accuracy.

Results of follow-up procedures

The City has adequately addressed this finding. As of February 20, 2008, the City had not closed the 2006-07 fiscal year due to possible adjustments from its financial statement auditors and, therefore, had not produced trial balances for the 2007-08 fiscal year. However, as a compensating control, City accountants reviewed account balances recorded in the accounting system monthly to ensure accuracy and completeness of the information while awaiting the trial balances to be produced. On February 29, 2008, the City provided us with trial balances for each month from the beginning of the 2007-08 fiscal year through January 2008. In reviewing the trial balances, we found that the record keeping deficiencies discussed in our report No. 2006-182 had been corrected.

Finding No. 2: Written Policies and Procedures

Previously reported

The City had not established written policies and procedures necessary to ensure the efficient and consistent conduct of some accounting and business-related functions.

We recommended that the City adopt comprehensive written procedures that are consistent with applicable laws, ordinances, and other guidelines. We also recommended that in doing so, the City ensure that the written procedures address the instances of noncompliance and control deficiencies discussed in report No. 2006-182.

***** PRELIMINARY AND TENTATIVE FINDINGS *****

Results of follow-up procedures

The City has partially addressed this finding. In response to our request for all policies adopted subsequent to May 2006 (release date of our report No. 2006-182), we were provided copies of minutes whereby the City Council adopted revised financial management policies for its operating budget and a City debt management policy. However, although the City provided us with policies and procedures relating to bank reconciliations, stale-dated checks, tracking contributions in aid of construction fees, billing of fees and services to customers, and allocation of certain costs, the policies had not been adopted by the City Council as of February 2008.

Finding No. 3: Separation of Duties and Safeguarding of Checks

Previously reported

The City had not provided for an adequate separation of duties in certain areas of operation, and had not provided for the proper safeguarding of blank checks.

We recommended that the City reassign the duties relating to returned checks to an employee that does not have access to cash. Additionally, we recommended that the City consider separate close-out procedures for instances in which more than one employee uses the same terminal and cash drawer. Furthermore, we recommended that the City establish procedures to ensure that blank checks are properly safeguarded.

Results of follow-up procedures

The City has adequately addressed this finding. The City established compensating controls for the lack of separation of duties relating to returned checks. While the Cashier Supervisor continued to process returned checks, the Accounting Department initially received and tracked all returned checks, and the Customer Billing Services Department reversed the entries related to returned checks in the accounting system. Also, the Cashier Supervisor and cashiers had separate terminals and cash drawers. Additionally, the City established adequate procedures and controls over blank checks.

Finding No. 4: Budget Preparation

Previously reported

The City did not consider all available net assets from prior fiscal years in adopting its 2003-04 or 2004-05 fiscal year budgets for the Water and Sewer funds and Stormwater funds, reported separately or combined, contrary to Section 166.241(2), Florida Statutes.

We recommended that the City consider all available net assets from prior fiscal years in the preparation of its budgets as required by Section 166.241(2), Florida Statutes.

Results of follow-up procedures

The City has not addressed this finding. For the 2006-07 fiscal year budgets for the Water and Sewer and Stormwater funds, the City considered only \$16,058,601 of \$82,748,652 ending available net assets from the 2005-06 fiscal year.

Finding No. 5: Budget Overexpenditures

Previously reported

The City reported budget overexpenditures totaling approximately \$39 million in 7 of the 27 funds reported as “Water and Sewer” and “Stormwater Utility,” contrary to Section 166.241(2), Florida Statutes. Furthermore,

****** PRELIMINARY AND TENTATIVE FINDINGS ******

budget-to-actual comparisons were provided to the City Council only through the third quarter of the 2003-04 fiscal year.

We recommended that the City ensure that future expenditures not exceed budgetary authority. Additionally, we recommended that budget-to-actual comparisons for all funds budgeted be prepared and submitted to City Council on a frequent basis.

Results of follow-up procedures

The City has partially addressed this finding. The City overexpended budgeted amounts in 4 of its 38 Water and Sewer funds by a total of \$89,098,022 and one of its three Stormwater funds by \$3,562 for the 2006-07 fiscal year. According to City personnel, the majority of the overexpenditures (\$81,586,128) related to unspent encumbrances from the 2005-06 fiscal year that were not re-budgeted in the 2006-07 fiscal year. However, unspent appropriations from prior fiscal years should have been available, and included in the 2006-07 fiscal year budget, to fund the 2006-07 fiscal year expenditures.

Our review disclosed that the City prepared and submitted quarterly budget-to-actual comparisons to the City Council during the 2005-06 and 2006-07 fiscal years

Finding No. 6: Bank Reconciliations

Previously reported

The City did not prepare timely and accurate bank reconciliations for the operating account for the two months tested, and supervisory personnel did not adequately review these reconciliations.

We recommended that the City enhance controls to provide for timely and accurate bank reconciliations, timely recording of cash transfers, and thorough review of bank reconciliations by supervisory personnel. Additionally, we recommended that the City ensure that all differences noted on bank reconciliations are appropriately and timely resolved and all journal entries relating thereto are properly prepared, reviewed, and approved.

Results of follow-up procedures

The City has partially addressed this finding. The City's bank reconciliation policy and procedures, implemented in June 2006 (although the policy was not adopted by the City Council as discussed in finding No. 2), stated that bank reconciliations should be completed and reviewed no later than the 15th calendar day following the month's end. Our review of 38 bank reconciliations for the months of December 2006 and July through December 2007, representing seven bank accounts, disclosed that eight reconciliations had not been dated, so we could not determine when the reconciliations were prepared; and ten reconciliations had been reviewed after the 15th of the following month, ranging from the 18th to the 30th of the following month. Also, our review disclosed that adjustments were timely recorded to the accounting records. Additionally, we noted that two authorized signers on the investment accounts also reviewed the short-term investments reconciliations, resulting in incompatible duties.

Finding No. 7: Unclaimed Property

Previously reported

The City failed to timely report and remit unclaimed property to the Florida Department of Financial Services (FDFS), contrary to Chapter 717, Florida Statutes. For amounts totaling \$27,480 that were required to be remitted by May 1, 2005, the City sent letters to the payees and indicated that it was the City's intent to void the checks and

****** PRELIMINARY AND TENTATIVE FINDINGS ******

reissue them to the payees; however, we were unaware of any statutory authority permitting the City to reissue the checks once they had been unrepresented for more than one year.

We recommended that the City take appropriate action to report and deliver the \$27,480 to the FDFS. Additionally, we recommended that the City enhance controls to ensure that stale-dated checks are timely reported and delivered to the FDFS in future years.

Results of follow-up procedures

The City has adequately addressed this finding. Our review of the City's 2006 and 2007 unclaimed property reports to FDFS disclosed that the City appropriately reported and remitted all amounts due for the current period. Additionally, the unreported amounts totaling \$27,480 noted in our report No. 2006-182 were appropriately resolved.

Finding No. 8: Debt Refinancing

Previously reported

The City did not prepare a financial analysis, including a calculation of the economic gain or loss, prior to issuing refunding debt totaling \$53 million. In addition, since the purpose of refunding bonds was to change the security for the debt from water and sewer revenues to special assessments, it was not apparent why the City did not pledge special assessments initially.

We recommended that the City utilize a cost-to-benefit analysis, including calculation of economic gain or loss, prior to issuing any future refunding bonds and consider initially pledging revenues that will ultimately be used to pay bonded debt.

Results of follow-up procedures

The City has adequately addressed this finding. The City had pledged revenues, on four new bond issues, that will ultimately be used to repay the new bonded debt. However, since the City had not issued any refunding debt related to Water and Sewer and Stormwater funds that would require a cost-benefit analysis or calculation of economic gain or loss, there was no opportunity for the City to address part of the finding.

Finding No. 9: Refunding of Special Assessments

Previously reported

The City did not timely refund special assessments in excess of project costs for four completed utility expansion areas.

We recommended that the City timely issue refunds for any future assessments that exceed the final actual cost to ensure that assessments do not exceed the benefits received by the property owners.

Results of follow-up procedures

The City has adequately addressed this finding. The City completed the Southeast 1 utility expansion project on November 1, 2006, and refunded assessments in excess of costs to property owners on December 12, 2006.

Finding No. 10: Determination of Contributions in Aid of Construction (CIAC) Fees

Previously reported

The City did not charge contributions in aid of construction (CIAC) fees based on the actual cost of the utility expansion to the particular CIAC area; therefore, these fees may be subject to challenge by property owners as not being fairly apportioned.

We recommended that the City revise its methodology utilized for determination of CIAC fees to ensure that property owners in CIAC areas are paying only their proportionate share of the actual costs to extend utility services to their properties, including a determination of the costs to fund the unused portion of the system.

Results of follow-up procedures

The City has not addressed this finding. Although the City updated the CIAC fees for water, wastewater, and irrigation based on square footage, the City had not revised its methodology for determining CIAC fees.

Finding No. 11: Collection of CIAC Fees

Previously reported

The City did not have adequate controls in place to ensure that CIAC fees are paid or financed when the development permit is issued.

We recommended that the City implement system controls to prevent the issuance of permits without either collection of the required CIAC fees or execution of a financing agreement. Additionally, we recommended that the City reconcile permits issued within CIAC areas to CIAC fees collected or receivable; collect CIAC fees from property owners for which permits have been issued, but fees have not been paid; and expedite efforts to update its records for split and combined parcels. Finally, we recommended that the City consider the use of unique identifying codes for specific CIAC areas to assist in the reconciliation of permits issued.

Results of follow-up procedures

The City has partially addressed this finding. Citing limitations in software, City staff indicated that the City did not implement system controls that would prevent issuance of a permit without collection of, or execution of a financing agreement for, CIAC fees. Although the City had not prepared reconciliations for all CIAC areas of CIAC fees paid (or financing agreement executed) to permits issued within CIAC areas, the City made progress in completing 17 such reconciliations, as compared to two, as of June 7, 2005. We also noted that the City placed a lien on certain properties for nonpayment of CIAC fees. The City also updated its records on split and combined parcels, and implemented the use of unique identifying codes in its computer system for CIAC areas.

Our test of nine development permits issued for parcels in CIAC areas disclosed that applicable CIAC fees had not been paid, or a financing agreement executed, for one parcel, for which a development permit was issued on October 4, 2007. Subsequent to our inquiry, the City provided us with a copy of a letter, dated the following day (February 22, 2008), requesting payment of \$20,908 for wastewater CIAC fees.

Finding No. 12: North Loop CIAC Project

Previously reported

The City Council approved, by vote, a change in CIAC fees originally established by ordinance, contrary to Section 166.041, Florida Statutes. Further, City staff's actions regarding CIAC and capital expansion fees charged to property owners in the North Loop CIAC area may have been contrary to the City Council's intentions.

We recommended that, should the City Council wish to authorize a change in the CIAC rates in the future, such change should be in the form of an ordinance, and City staff should ensure that City Council actions are implemented as intended. Also, we recommended that the City collect the proper capital expansion fee from any property owners that did not pay the correct fee.

Results of follow-up procedures

The City has adequately addressed this finding. The City adopted Ordinance 179-06 on January 8, 2007, and Ordinance 5-07 on February 5, 2007, effectively changing its CIAC and capital expansion fees. Our test of CIAC and capital expansion fees charged and collected on five properties disclosed no exceptions. Regarding the collection of the additional \$17,805 of capital expansion fees noted in our report No. 2006-182, Section 95.11, Florida Statutes, precludes the City from collecting those fees as the statute of limitations has expired.

Finding No. 13: Use of Capital Expansion and CIAC Fees

Previously reported

The City did not always expend capital expansion fees and CIAC fees in accordance with the City's Code of Ordinances.

We recommended that the City review all expenditures of capital expansion and CIAC fees for compliance with the City's Code of Ordinances. Also, we recommended that the moneys inappropriately expended as noted in the finding, along with any others identified by City personnel, be restored to the respective fund(s). Further, we recommended that the City establish controls to ensure that future expenditures of these restricted funds are in accordance with the City's Code of Ordinances.

Results of follow-up procedures

The City has not addressed this finding. Our expenditure tests disclosed that the City had not spent funds properly for two of ten expenditures tested. The City improperly expended a total of \$20,991 from water capital expansion fees for an irrigation project, contrary to Section 2-24.4 of the City's Code of Ordinances, which requires that capital expansion fees collected for the water system can only be spent on expanding the water system. Additionally, the City had not restored the inappropriately expended amounts to the respective funds, as noted in our report No. 2006-182.

Finding No. 14: Collection of User Fees

Previously reported

The City did not always charge utility users appropriate fees or timely bill users for services rendered.

We recommended that the City Council amend Section 19-19A to require the Financial Services Department to credit or backbill customers, in full, when customers have been overcharged or undercharged, or that the Financial Services Department revise its policy to that effect. Also, we recommended that the City develop procedures, such

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as reconciliations, to detect instances in which a customer is receiving services but is not billed for such services. Additionally, we recommended that the City ensure that changes to rates or policies directed by City Council are promptly implemented.

Results of follow-up procedures

The City has partially addressed this finding. The City had not amended its ordinance to provide for billing (or crediting) customers that are under (or over) charged. However, City personnel stated that they were in the process of rewriting the utility ordinance. The City had developed written procedures to detect instances of customers receiving utility services, but not being billed for those services. Our test of eight water and sewer billings related to new connections disclosed no exceptions, and our test of five utility billings disclosed that the City properly calculated billings and appropriately implemented the rate changes adopted by City Council.

Finding No. 15: Allocation of Costs

Previously reported

The City did not always allocate costs for shared administrative expenses from other departments to the Water and Sewer fund and Stormwater fund in a systematic and rational manner. In addition, some costs directly charged from other departments were not supported by documentation to evidence the basis for the direct charge. Specifically, we questioned the methodology used for allocating costs of Financial Services, retiree health care, cashier's office, a construction costs/feasibility study, City Auditor, and City Attorney.

We recommended that the City evaluate the allocation methods used for each type of administrative cost to ensure that costs are allocated in a systematic and rational manner. Additionally, we recommended that, for any costs determined to be overallocated, the City restore such funds to the Water and Sewer fund or the Stormwater fund.

Results of follow-up procedures

The City has partially addressed this finding. We noted that the City changed its cost allocation methodology for allocating the costs of retiree health care premiums and the City Auditor and we agree with the revised bases used for allocating these costs. Although the City Manager, in his response to our report No. 2006-182, agreed that the most appropriate basis of allocation for the City Attorney would be actual hours expended, we noted that the City continued to use the number of full-time employees. Our review of six additional areas of cost allocations of indirect costs to the Water and Sewer fund and the Stormwater fund for the 2006-07 fiscal year disclosed that the City used a systematic and rational method for the allocations. As recommended in our report No. 2006-182, the City was restoring the money, representing overallocated retiree health insurance and the 1999 feasibility study costs, back to the Water and Sewer and Stormwater funds over a six-year period (through the 2010-11 fiscal year) by adjusting the annual cost allocations.

Finding No. 16: Unauthorized Expenditures

Previously reported

City records did not clearly document the public purpose for expenditures totaling \$131,859.

We recommended that the City ensure and document in its public records that expenditures serve an authorized public purpose, are reasonable, and necessarily benefit the City.

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Results of follow-up procedures

The City has not addressed this finding. Our test of expenditures disclosed that for six of ten expenditures, totaling \$11,000, the City had not documented in its public records the public purpose served, which included a helicopter rental and purchases of four recliner rockers, uniforms, and food.

Finding No. 17: Procurement of Contract for Bond Counsel

Previously reported

The City did not select its bond counsel through a competitive process.

We recommended that, upon completion of the current bond counsel contract, the City consider contracting with bond counsel through a competitive process.

Results of follow-up procedures

The City had no opportunity to address this finding. The City continued to use the same bond counsel as noted in our report No. 2006-182, and the bond counsel contract discussed in that report had an expiration date of January 10, 2008; however, the contract also provided for renewals, which were exercised. The bond counsel contract, including renewals, will expire January 10, 2010.

Finding No. 18: Written Agreements

Previously reported

The City did not have written agreements with several bond professionals and did not execute four contracts with the signatures required under Section 2-148 of the City's Code of Ordinances. Additionally, the City's policies and procedures manual listed required signatures on contracts that were contrary to Section 2-148 of the City's Code of Ordinances.

We recommended that, to provide adequate control of bond issuance costs, the City should require contracts with all bond professionals. Also, we recommended that all contracts be signed in accordance with the established ordinance and the City's policies and procedures manual be updated to comply with established ordinances.

Results of follow-up procedures

The City has partially addressed this finding. Our review of expenditures paid to bond professionals other than bond counsel since May 2006 disclosed that the City had not obtained contracts for 5 of 11 bond professionals used, who were paid a total of \$111,850. Also, the Mayor and City Clerk had not signed four of the six contracts, contrary to the City Code of Ordinances in effect prior to July 23, 2007. The Ordinance was amended July 23, 2007, to assign other City officials the responsibility of signing contracts. The City updated its policies and procedures manual to comply with established ordinances.

Finding No. 19: Contract Monitoring

Previously reported

The City did not properly monitor contracts for services to ensure that contractors performed and were paid in accordance with terms of the contract. Additionally, the City's contracts did not always contain firm due dates for deliverables and the City made progress payments to contractors without receipt of contract deliverables.

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We recommended that the City develop contract monitoring procedures to ensure that contractors performed in accordance with the terms of the contract. We also recommended that the City's contracts establish definite due dates for deliverables. Additionally, we recommended that, unless another method for initiating payments is established in a contract, payments not be made to contractors that have not provided the deliverables by the date specified within the contract.

Results of follow-up procedures

The City has partially addressed this finding. Our test of contracts disclosed that one of three contracts included an estimated, rather than a specific, due date. Also, the City made progress payments totaling \$37,665 on a \$46,710 contract for an irrigation leak detection study; however, the contract did not contain a provision for progress payments, and the payments were not based on receipt of deliverables.

Subsequent to our review, the City provided us with written contract monitoring procedures.

Finding No. 20: Contracts for Utility Expansion

Previously reported

The City did not fully comply with provisions of Sections 287.055 and 255.05, Florida Statutes, in procurement of two contracts for utility expansion projects. Additionally, invoices submitted for payment by the contractors were not always adequately supported. Finally, the City's consultant hired to audit selected work authorizations relating to its utility expansion program included many findings and made several recommendations in its issued report.

We recommended that the City take steps to ensure compliance with Sections 287.055 and 255.05, Florida Statutes. Also, we recommended that the City verify all invoices submitted, and to be submitted, for payment by requesting adequate supporting documentation and, for any amounts overpaid, request a refund from the contractor. Finally, we recommended that the City consider all recommendations suggested by the contracted consultant.

Results of follow-up procedures

The City has adequately addressed this finding. Our review disclosed that the City had not entered into any new utility expansion contracts subsequent to the release of our report No. 2006-182; therefore, the City had no opportunity to address the portion of the finding relating to ensuring that any new utility expansion contract complied with Sections 287.055 and 255.05, Florida Statutes. Additionally, our test of one payment, totaling \$2.7 million, to a utility construction contractor disclosed that the contractor provided time sheets to properly support labor hours for which the contractor invoiced the City. Also, we determined that the City had agreed with and implemented 2 of the contracted consultant's 24 recommendations relating to its utility expansion program: adding contract language regarding the right to audit under certain circumstances, and obtaining a truth-in-negotiation certificate from the firm awarded the contract.

Finding No. 21: Unaccounted for Water

Previously reported

Although the City had taken some actions to reduce water loss, unaccounted for water remained in excess of 10 percent (a guideline set by the South Florida Water Management District). Additionally, preliminary data from a water audit obtained by the City indicated several factors contributed to the City's unaccounted for water, including excessive service leaks, inaccurate meters, limited meter replacement, and inconsistencies in the meter size.

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We recommended that, while the City was taking some actions to reduce water loss, additional steps should be taken, including replacing rather than repairing dysfunctional meters, accelerating replacement of meters identified as inaccurate, and ensuring that meter registers are standardized to increase accountability and avoid under-billing for water usage. We also recommended that the City adopt a formal leak detection program.

Results of follow-up procedures

The City has adequately addressed this finding. Our review of monthly unaccounted for water reports disclosed that the average percentage of unaccounted for water was 15.94 percent in 2005, 11.62 percent in 2006, and 7.48 percent in 2007. Accordingly, the City's average unaccounted for water percentages have improved in the last two years. The City awarded contracts in 2007 for meter testing, meter replacement, and installation services, with one contractor replacing approximately 1,735 manual-read meters. Although the City had not adopted a formal leak detection program, the City performed and documented meter testing and contracted for evaluation of selected water lines throughout the City to identify potential leaks.

Finding No. 22: System Access

Previously reported

Some of the City's staff may have had inappropriate access to information technology system (ITS) resources. We also noted another deficiency in controls over the City's information systems.

We recommended that the City review the duties of its ITS staff and remove, as appropriate, access capabilities that are unnecessary for the performance of assigned responsibilities. Also, we recommended that system administration functions that provide a higher level of authority for system users be restricted to a limited number of individuals who actually need the function to perform their jobs.

Results of follow-up procedures

The City has adequately addressed this finding. Subsequent to our inquiry during our current review, the City made the appropriate changes in its information technology system access capabilities.

Additionally, in our report No. 2006-182, we noted that our testing revealed a deficiency in controls over the City's information systems, but we did not disclose the specific details in the report to avoid any possibility of compromising City information. Our current review disclosed that this deficiency had been corrected.

Finding No. 23: Cape Coral Charter School

Previously reported

The City had not prepared and executed a lease agreement for its charter school, and the frequency and timing of billings to the charter school for services provided by the City were not addressed in Ordinance 41-04. Specifically, we noted that the first billing to the school for the 2005-06 fiscal year was not accomplished until December 2005 and billings for certain costs had not been accomplished as of February 1, 2006.

We recommended that the City expedite the preparation and execution of the lease agreement. Additionally, we recommended that the City Council revise Ordinance 41-04 to address the frequency and timing of billings to the charter school for services provided by the City.

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Results of follow-up procedures

The City has partially addressed this finding. The City executed lease agreements for its charter school and a sublease agreement for audiovisual equipment. In July 2006, the City Council approved a two-year deferral of lease payments, excluding insurance. Additionally, although the City provided billings to the charter school for the 2006-07 fiscal year and the 2007-08 fiscal year through March 2008, the City had not revised Ordinance 41-04 to address the frequency and timing of billings to the charter school.

Finding No. 24: Sunshine Law

Previously reported

The City conducted discussions regarding the calculation of the charter school lease payments through a staff liaison rather than in a publicly noticed meeting.

We recommended that the City exercise caution in meetings between staff and Council members to ensure that violations of the Sunshine Law do not occur by using staff as liaisons among Council members to avoid full and open public discussions.

Results of follow-up procedures

The City has adequately addressed this finding. We noted no violations of the Sunshine Law during the follow-up period through March 2008.

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