

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Minutes - Draft

Tuesday, November 17, 2015

5:00 PM

City Hall, Room 16

Audit and Finance Committee

*Mayor Ed Braddy, Chair
Mayor-Commissioner Pro Tem Craig Carter, Member*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Equal Opportunity Department at 334-5051 or call the TDD phone line at 334-2069.

APPROVAL OF MINUTES**150458. Minutes of the Audit and Finance Committee Meeting of September 15, 2015 (B)**

Attachments: [150458 September 15 Minutes 20151117.pdf](#)

The minutes of the Audit and Finance Committee meeting of September 15, 2015 were approved as circulated.

RECOMMENDATION *The Audit and Finance Committee approve the minutes of September 15, 2015 as circulated*

Approved by Consensus

DISCUSSION OF ITEMS**150504. Final Amendment to the FY 2014-2015 General Government Financial and Operating Plan (B)**

Attachments: [150504A Resolution-Fourth Budget Amendment 2015 20151117.pdf](#)

[150504B FY2015 Amendatory 4th Quarter-Final 20151117.pdf](#)

[150504 Budget Amendment 20151203.pdf](#)

[150504 Resolution GG Budget 20151203.pdf](#)

City Auditor Carlos Holt introduced the item. Budget Manager Amy Spitzer gave a brief overview of the FY2014-2015 final amendment to the general government budget. The Committee approved the recommendation to forward the items to the City Commission for approval.

RECOMMENDATION *The Audit and Finance: (1) Review the proposed amendatory budget resolution; and if acceptable, (2) recommend that the City Commission adopt the proposed resolution.*

Approved as Recommended

130642. City Attorney Memorandum re: Equitable Adjustment for Change of Law of the Power Purchase Agreement (B)

Attachments: [130642A Equitable Adjustment for Change of Law of PPA 20151117.pdf](#)

[130642B GREC LLC Dispute - Equitable Adjustment Analysis \(Outside Attor](#)

City Auditor Carlos Holt introduced the item. City Attorney Nicolle Shalley presented the item addressing the City Commission's January 16, 2014 referral to Audit & Finance Committee for discussion of three recommendations made in the City Attorney's Memorandum re: Equitable Adjustment for Change of Law of the Power Purchase Agreement. The recommendations within the memorandum were addressed by City Attorney Shalley as follows: Recommendation #1 - to foster a clear understanding that GRU's attorney works under the direction of the City Attorney. Ms. Shalley explained this was implemented internally and does not require any further action by the Commission. Recommendation #2 - to amend the City purchasing policy regarding interpretation of language by clarifying the stated

10% exception only applies when funds have been budgeted and approved by the City Commission for that particular item. Recommendation #3 - to amend the City purchasing policy clarifying that approval by the City Attorney's office as to form and legality is only for the benefit of the City, and should not be relied upon by any 3rd party. The Committee recommends the City Commission accept the proposed policy changes and authorize the City Attorney to draft a resolution to amend the City's purchasing policy in accordance with recommendations #2 and #3 with a full explanation to the Commission addressing the purpose is to prevent issues in the future.

Citizen comment was made addressing change-in-law status regarding the equitable adjustment. City Attorney Nicolle Shalley spoke to the historical specifics regarding decisions that were made at the time. There was a lengthy discussion amongst Committee members, City Attorney Shalley, General Manager Ed Bielarski and citizens regarding potential recourse. Mayor Braddy summarized the Committee's recommendation for action that information be shared with GRU General Manager Ed Bielarski and GRU Attorney Shayla McNeill, and City Attorney Nicolle Shalley for collaboration to review to what extent information may have knowingly been misrepresented, and seek outside counsel if needed.

Mayor Braddy requested that both components of the referral be presented to the Commission at one time. The Committee recommended the referral be retained for consideration of further action with the exception of release of the the portion addressing the changes in the City's purchasing policy for authorization of the City Commission to allow the City Attorney's Office to move forward with the resolution.

RECOMMENDATION

The Audit and Finance Committee review the status of the referral and take appropriate action.

The Committee recommended the referral be retained for consideration of further action with the exception of releasing the portion addressing the changes in the City's purchasing policy for authorization of the City Commission to allow the City Attorney's Office to move forward with the resolution.

[130547.](#)

Navigant Consulting Investigative Review (B)

Attachments: [130547-A-Equitable Adjustment for Change of Law of the Power Purchase A](#)
[130547-B-GREC LLC Dispute - Equitable Adjustment Analysis-Outside Attor](#)
[130547-C-RFP-External Investigative Review of GRU-Agenda Item.PDF](#)
[130547-D-Draft RFP External Investigative Review of GRU.PDF](#)
[130547-E-AFLC REVISED DRAFT RFP EXTERNAL INVESTIGATIVE REVII](#)
[130547-F - Memo from Godshalk to Commission.pdf](#)
[130547-G -Proposal Evaluation Summary 6-19-14.pdf](#)
[130547 MOD H Powerpoint Presentation 20140619.pdf](#)
[130547I MOD Navigant Proposal 20140619.pdf](#)
[130547J MOD Navigant Cost Proposal 20140619.pdf](#)
[130547K MOD EnerVision Proposal 20140619.pdf](#)
[130547L MOD Windham Brannon Proposal 20140619.pdf](#)
[130547M MOD Windham Brannon Cost Proposal 20140619.pdf](#)
[130547A Contract - Navigant - Professional Investigative Review Services 2](#)
[130547B RFP No. CAUD140037-DH Issued April 10 2014 20141016.pdf](#)
[130547C Addendum 1 Dated April 30 2014 20141016.pdf](#)
[130547D Navigant Response May 7 2014 20141016.pdf](#)
[130547E Navigant Cost Proposal May 7 2014 20141016.pdf](#)
[130547F Navigant Power Point for Oral Interview June 10 2014 20141016.c](#)
[130547G Ray Washington Letter 20141016.pdf](#)
[130547H Speech 20141016.pdf](#)
[130547I Navigant Contract - Additiional Fee Request 20150115.pdf](#)
[130547J NCI Investigative Review-COG 20150415.pdf](#)
[130547K Jim Konish documents 20150415.pdf](#)
[130547L NCI Summary of GRU Recommendations - COG 20151117.pdf](#)

City Auditor Carlos Holt introduced the item and General Manager Ed Bielarski presented the item addressing Navigant's summary of recommendations as follows: No. 1, 2, 6, 8 are no longer on the table based on various operational considerations. No. 3, 4, 5, 7, 9, 11, 18, 19, 20, 21, 26, 27 are still on the table and/or actively being addressed.

The Committee recommended that GRU General Manager Ed Bielarski present a status report to the City Commission on recommendations assigned to management. The City Commission will address separately, over time, Navigant recommendations assigned to them.

RECOMMENDATION *Audit and Finance Committee review the status of the referral and take appropriate action.*

Retained in Committee

150133.

Oversight and Accountability of Grants (from the City) (B)

Attachments: [150133 External Assessment Questionnaire Grant 20151117.pdf](#)

City Auditor Carlos Holt introduced and presented the referral item regarding follow up of City grant funding spending and verification for small businesses not covered in existing monitoring performed for larger block grants. Mr. Holt and Assistant City Manager Paul Folkers have worked on an internal controls plan implementation which has been included in the City Auditor's FY16 Annual Audit Plan.

The Committee recommends the City Commission approve the inclusion of this item in the FY16 Annual Audit Plan.

RECOMMENDATION The Audit and Finance Committee review the status of the referral and take appropriate action.

Approved as Amended and Referred to the City Commission for adoption.

150148.

Mayor Ed Braddy - Referral of GRU - GREC Monthly Bills (B)

Attachments: [150148A GREC Bill History 20150729.pdf](#)
[150148B GREC Backup Meter Consumption 20150729.pdf](#)
[150148C GREC Irrigation Mtr Bills 20150729.pdf](#)
[150148D GREC irrigation meter payments 20150729 .png](#)
[150148E GREC payments 20150729.png](#)
[150148F GREC rental light payments 20150729.png](#)
[150148G GREC Utility Bill dtd 7-1-15 20150729.pdf](#)
[150148H GREC Utility Bill dtd 7-13-15 20150729.pdf](#)
[150148I GREC Q&A Presentation 20151117.pdf](#)

City Auditor Carlos Holt introduced the referral item. Chief Customer Officer Bill Shepherd gave a power point presentation addressing questions from the July 29, 2015 Audit and Finance Committee meeting regarding GREC monthly electric bills. The Committee recommended the City Commission approve removal of item from referral list.

RECOMMENDATION The Audit and Finance Committee review the status of the referral and take appropriate action.

Recommend the City Commission approve removal of item from referral list.

150461.

Information on the Unassigned Fund Balance (B)

Attachments: [150461A Fund Balance 20151117.pdf](#)
[150461B GFOA Determine Level of Fund Balance 20151117.pdf](#)
[150461C Fund Balance GASB54 20151117.pdf](#)
[150461D 2014 Reserve Policy 20151117.pdf](#)

City Auditor Carlos Holt introduced the item. City Finance Director Mark Benton presented the history of the item referencing recent City Commission approval of the City's current 10% fund balance policy. The Committee discussed various aspects of the City's fund balance policy and recommended no additional information or changes are required at this time. The Committee recommended removal from the referral list for City Commission approval.

RECOMMENDATION The Audit and Finance Committee discuss the information

presented by the Finance Director and the City Auditor and recommend the City Commission discuss the issue at an upcoming meeting in order to use any information for future budget decisions.

Committee recommended City Commission approval for removal from referral list.

[150460.](#)

Proposed Fiscal Year 2016 Annual Audit Plan (B)

- Attachments:** [150460 Proposed Annual Audit Plan - FY16 20151117.pdf](#)
[150460 MOD Annual Audit Plan.20151203pdf.pdf](#)
[150460 Resolution Audit Plan 20151203.pdf](#)

City Auditor Carlos Holt introduced the item. Assistant City Auditor Eileen Marzak presented the item reviewing Exhibit A with brief explanations of the various fiscal year 2016 planned audits. The Committee approved the item and referred to the City Commission for approval by resolution.

RECOMMENDATION *The Audit and Finance Committee recommend the City Commission approve the Fiscal Year 2016 Annual Audit Plan by resolution.*

Committee recommended City Commission approval by resolution.

[150462.](#)

Review of Audit and Finance Committee Referral Listing (B)

- Attachments:** [150462 AFC City Auditor Referrals Update 20151117.pdf](#)

Due to the late hour, the Committee deferred discussion. The City Auditor will review the referral listing items with the Mayor.

RECOMMENDATION *The Audit and Finance Committee review the referral listing and update as needed.*

Deferred

MEMBER COMMENT

CITIZEN COMMENT

Jim Konish made citizen comment regarding GREC.

NEXT MEETING DATE

January 26, 2016

ADJOURNMENT

Mayor Braddy adjourned the meeting at 7:20 PM