

City of Gainesville

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



Meeting Agenda

March 29, 2010

3:00 PM

City Hall, Room 16

Audit, Finance and Legislative Committee

Mayor Pegeen Hanrahan, Chair

Mayor-Commissioner Pro Tem Scherwin Henry (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 at least two business days in advance.

CALL TO ORDER**ROLL CALL****ADOPTION OF THE AGENDA****APPROVAL OF MINUTES****090897.****Audit, Finance and Legislative Committee Minutes (B)****RECOMMENDATION**

The Audit, Finance and Legislative Committee approve the minutes as circulated.

090897_nov302009_minutes.pdf

DISCUSSION ITEMS**090898.****City of Gainesville Fiscal Year 2009 Comprehensive Annual Financial Report, Audited Financial Statements, Auditors' Reports, Auditors' Management Letters and Single Audit Reports, and Management's Written Response (B)**

Explanation: In accordance with the City's contracts for external auditing services with Carr, Riggs & Ingram, LLC (formerly Davis, Monk and Company) and Ernst and Young, Certified Public Accountants, the following reports are presented for review by the Audit, Finance and Legislative Committee:

- 1. The Basic Financial Statements, Supplemental Information and Independent Auditors' Report, Management Letters and Single Audit Reports of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2009; which are presented in the attached Comprehensive Annual Financial Report;*
- 2. The Financial Statements, Supplemental Information and Independent Auditors' Report of Gainesville Regional Utilities for the Fiscal Year Ended September 30, 2009;*
- 3. The Financial Statements and Independent Auditors' Report on the Wild Spaces Public Places (WSPP) Funds of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2009;*
- 4. The Financial Statements and Independent Auditors' Report on the Employees' Pension Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2009;*
- 5. The Financial Statements and Independent Auditors' Report on the Consolidated Police Officers and Firefighters Retirement Plan of the City of*

Gainesville, Florida for the Fiscal Year Ended September 30, 2009;

6. The Financial Statements and Independent Auditors' Report on the Disability Pension Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2009; and

7. The Financial Statements and Independent Auditors' Report on the Other Postemployment Benefits Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2009.

In the opinion of the independent auditors, the financial statements referred to in items 1, 2 and 3 above present fairly, in all material respects, the financial position and changes in financial position of the City, GRU and the City's Wild Spaces Public Places Funds for the year ended September 30, 2009, in conformity with generally accepted accounting principles.

In the independent auditors' opinion, the financial statements referred to in items 4, 5, 6 and 7 above present fairly, in all material respects, the net assets and changes in net assets held in trust for benefits for the year ended September 30, 2009, in conformity with generally accepted accounting principles.

As part of the audit process the independent auditors issue "management letter comments" along with several other reports related to internal control structure; compliance with certain provisions of laws, regulations, contracts and grants, and internal control structure and certain requirements applicable to federal and state financial assistance programs. These reports are presented within item 1 above under the heading of "Single Audit Section."

The auditors' management letter related to General Government indicates that there were no recommendations in the current year. The auditors' management letter and internal control report over financial reporting related to Gainesville Regional Utilities include recommendations related to SAP accounting system user education, SAP configuration, SAP change controls configuration and FERC depreciation. The auditors also indicated that no prior year recommendations are outstanding. Management's written response to these comments indicates agreement with the auditors' recommendations and provides planned corrective action on each issue.*

In accordance with Section 6(b) of Resolution 970187, City Auditor Responsibilities and Administrative Procedures, the City Auditor has reviewed the attached statements and reports to ensure that contractual terms have been fulfilled and transmits these reports with a recommendation for City Commission acceptance.

RECOMMENDATION

The Audit, Finance and Legislative Committee recommend that the City Commission accept the subject financial report, financial statements, auditors' reports, management letters and single audit reports; and accept management's written response.

- 090898_City Auditor's Transmittal Memo for FY2009 Financial Statements.pdf
- 090898_Summary of FY 2009 Audit Results - General Government.pdf
- 090898_1 City-Wide CAFR FY2009.pdf
- 090898_2 GRU FY2009 Financial Statements.pdf
- 090898_3 WSPP FY2009 Financial Statements.pdf
- 090898_4 Employees Pension Fund FY2009 Financial Statements.pdf
- 090898_5 Consolidated Pension Fund FY2009 Financial Statements.pdf
- 090898_6 Disability Pension Fund FY 2009 Financial Statements.pdf
- 090898_7 Other Postemployment Benefits Fund FY2009 Financial Statements.pdf
- 090898_GRU Audit Results_FINAL_20100329.pdf

090759.

Local Preference Policies in Relation to the City's Procurement Procedures (B)

Explanation: This item was referred by the City Commission to the Audit, Finance and Legislative Committee on February 4, 2010. Attached as backup is the City's Local Preference Policy which was adopted by the City Commission by ordinance on March 29, 2004.

RECOMMENDATION *Discuss this issue and take any action deemed appropriate.*

Legislative History

2/4/10	City Commission	Referred (7 - 0)	Audit, Finance and Legislative Committee
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090902.

Human Resources Holiday Policy (B)

The Charter Officers seek direction on an amendment to the Human Resources Holiday Policy for non-represented employees.

Explanation: The current Human Resources Holiday Policy observes ten paid holidays for non-represented employees. With the implementation of non-traditional work schedules across the organization, such as the 4 day, 10 hour workweek, it has become necessary to clarify the application of the policy to the workweek.

Several of the Charter Officers support amending the Holiday Policy to set forth a maximum of 80 hours of holiday pay per year, depending on the full-time status of the employee. This is the equivalent of ten paid holidays at eight hours each. This amendment provides for equitable benefits for all non-represented employees regardless of their work schedule or reporting hierarchy. A copy of this revised Policy is attached as Exhibit "A"

Soon after the approval of the 4-10 hour workweek in the Fall of 2008, the City Attorney's Office collegially developed an internal Attendance and Work Schedule Policy to implement the 4-10 workweek, specifically addressing holidays in the context of a 4-10 workweek. The City Attorney's internal policy, a copy of which is attached as Exhibit "B", only applies to the employees of the

City Attorney's Office and is tailored to fit the specific needs of a professional law office. The function of a law office necessitates the actual physical presence of employees in the office to regularly produce legal documents, respond to judicial and administrative agencies, and attorneys' offices that are open 5 days per week, meet deadlines that are independent of the City's regular work schedule.

The City Attorney therefore has several concerns with the amendments proposed by the other Charter Officers. These concerns are more fully outlined in the City Attorney's memorandum to the Charter Officers dated September 22, 2009 (a copy of which is attached as Exhibit "C"). As a result of these concerns, the City Attorney recommends an alternative revision to the Human Resources Policy that would permit Charter Officers some flexibility in accommodating a 4 – 10 hour workweek in a 5 – 8 hour work environment. This flexibility is consistent with the practice of the City Manager and General Manager for Utilities, some of whose employees work a 5 – 8 hour workweek or other flexible work schedule to meet the demands of their particular functions in meeting the needs of the citizens and customers.

The City Attorney recommends a slight revision to the proposed Policy that acknowledges the current practice of the City Attorney's Office since the Fall of 2008 by adding the words "or by specific written guidelines adopted by a Charter Officer" in Article V of the Policy page 2, line 7 as shown by italics in Exhibit "D".

Fiscal Note: The amendment proposed by several of the Charter Officers does not change the current cost of providing holiday pay. The amendment proposed by the City Attorney's Office adds 10 additional hours per year for those employees in the Office on a 4-10 work schedule.

RECOMMENDATION

The Audit, Finance & Legislative Committee hear a presentation on the Human Resources Policy by staff and the City Attorney and adopt the Human Resources Holiday Policy (L-6) outlined in Exhibit "A"

090902_Holiday_Policy_20100329.pdf

090899.

Review of Affirmative Action Program (B)

Explanation: In accordance with our Annual Audit Plan, we have completed a Review of the Affirmative Action Program. Our report, which includes a response from the Equal Opportunity Director, is attached for your review.

We request that the Committee recommend the City Commission accept our report and the Equal Opportunity Director's response. Also, in accordance with City Commission Resolution 970187, Section 10, Responsibilities for Follow-up on Audits, we request that the Committee recommend the City Commission instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit, Finance and Legislative Committee.

RECOMMENDATION

The Audit, Finance and Legislative Committee recommend the City Commission:

1) Accept the City Auditor's report and response from the Equal Opportunity Director, and

2) Instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit, Finance and Legislative Committee.

090899_CityAuditor's Review of Affirmative Action Program with EO Response.pdf

090900.**Quarterly Financial Report - Gainesville Regional Utilities (B)****RECOMMENDATION**

The Audit, Finance and Legislative Committee review and recommend that the City Commission receive the GRU Quarterly Financial Report as of December 31, 2009.

090900_GRU_Quarterly_20100329.pdf

090901.**Fiscal Year 2010 Operating Funds Quarterly Monitoring Report - Quarter Ending December 31, 2009 (B)**

Explanation: The City's General Government Budget Policy requires staff to prepare and submit a quarterly Budget compliance report in substantially the same form as the final budget document, for all major operating funds, including the status of General Fund fund balances to the Audit, Finance and Legislative Committee.

RECOMMENDATION

The Audit, Finance and Legislative Committee review and recommend that the City Commission receive the quarterly budget monitoring report for the quarter ended December 31, 2009.

090901_GG_QTR_MONITORING REPORT.pdf

090903.**First Amendment to the FY 2009-2010 General Government Financial and Operating Plan (B)**

Explanation: The purpose of this amendment is to accurately reflect and incorporate into the City's FY 2009-2010 General Government budget those transactions and activities that were not anticipated during the budget process.

Fiscal Note: All of the recommended changes are funded either by increases in revenue budgets, decreases in expenditure budgets, or decreases in appropriate fund balances.

RECOMMENDATION

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

090903_FY10-1ST-AMEND-BGT-RESOLUTION and Backup.pdf

090456.

Payment Methods of City Fees and Licenses (B)

This item is to discuss the issue of traditional options of payment for City fees and licenses versus online payments.

Explanation: In an effort to implement the City Commission's goals related to E-Commerce and to prepare for declining resources, staff has implemented a number of on-line government services (E-Gov services), including payment of parking citations, business tax renewals, parking decals and landlord license renewals.

In order to realize to full benefit of implementing E-Gov services, mailed payments were not offered as an option to customers. The attachment illustrates a comparison of the staff effort required to process mailed payments, payments made in person and on-line/electronic payments.

The on-line payment only requires three steps from staff (four if by wire transfer). Payment by mail is much more labor-intensive than any other types of payments. Some customers have been reluctant to use the on-line process, while staff is struggling to keep up with the demand of offering payment methods that require a significant amount of effort to process with fewer resources and staff. Some have suggested implementing an additional fee for mailed payments to cover the cost of processing.

Fiscal Note: None at this time.

RECOMMENDATION

Discuss the issue and take any action deemed appropriate.

Legislative History

9/17/09	City Commission	Referred (7 - 0)	Audit, Finance and Legislative Committee
11/30/09	Audit, Finance and Legislative Committee	Continued	

090456_Payment Methods of Fees and Licenses_20091130.pdf

MEMBER COMMENT

CITIZEN COMMENT

NEXT MEETING DATE

ADJOURNMENT