

# City of Gainesville

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



## **Meeting Agenda**

**June 04, 2007**

**3:30 PM**

**City Hall, Room 16**

## **Audit, Finance and Legislative Committee**

*Mayor Pegeen Hanrahan, (Chair)*

*Mayor-Commissioner Pro Tem Rick Bryant, (Vice Chair)*

*Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of Equal Opportunity 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****070097.****Audit, Finance & Legislative Committee Minutes (B)****RECOMMENDATION**

*The Audit, Finance & Legislative Committee approve the minutes of February 13, 2007 and February 19, 2007; as circulated.*

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**DISCUSSION ITEMS****070098.****Review of Youth Sports League Concession Operations (B)**

*Explanation: In accordance with our Annual Audit Plan, we have completed a Review of Youth Sports League Concession Operations in the Recreation Division. Our report, which includes a response from the City Manager, is attached for your review.*

*We request that the Committee recommend the City Commission accept our report and the City Manager'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 that the City Commission: 1) Accept the City Auditor's report and the response from the City Manager; 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.*

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**070104.****Fiscal Year 2007 Operating Funds Quarterly Monitoring Report - Quarter Ending March 31, 2007 (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 and Finance 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 March 31, 2007.*

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**070105.**

**Second Amendment to the FY 2007 General Government Financial and Operating Plan (B)**

*Explanation: The purpose of this amendment is to accurately reflect and incorporate into the City's FY 2007 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 the appropriate fund balance.*

**RECOMMENDATION**

*The Audit, Finance, and Legislative Committee: 1) review the proposed amendatory budget resolution; and if acceptable; 2) recommend to the City Commission that it adopt the second amendment to the Fiscal Year 2007 General Government Financial and Operating Plan Budget.*

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**070096.**

**GRU's Quarterly Financial Report - Gainesville Regional Utilities (B)**

**RECOMMENDATION**

*The Audit and Finance Committee review and recommend that the City Commission receive the GRU Quarterly Financial Report as of March 31, 2007.*

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**070099.**

**Report on the Status of Outstanding Audit Recommendations for June 2007 (B)**

*Explanation: City Commission Resolution 970187, City Auditor Responsibilities and Administrative Procedures, requires the City Auditor to notify the appropriate Charter Officer of recommendations projected for implementation in the following six months. The responsible department managers prepare a written status report to the appropriate Charter Officer who then provides this information to the City Auditor. The City Auditor's Office verifies that*

*corrective action has been taken and summarizes the results to the Audit, Finance and Legislative Committee.*

*During the past several months, the City Auditor worked with the appropriate Charter Officers in preparing a status report on 33 outstanding audit recommendations. We have reviewed management's feedback on the implementation of outstanding recommendations and prepared the attached status report summarizing the results of our review.*

*We would like to express our thanks to the City Manager, General Manager for Utilities, Equal Opportunity Director and the various departments participating in this review process.*

**RECOMMENDATION**

*The Audit, Finance and Legislative Committee recommend that the City Commission: 1) Accept the City Auditor's report; and 2) refer the issue of lobbyist registration to the Charter Officers for further development and a recommendation back to the Audit, Finance and Legislative Committee.*

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**070100.**

**Sale of Brownfield Voluntary Cleanup Tax Credits (B)**

*Explanation: In January 2000, the City Commission established a Brownfields Redevelopment Area in the City of Gainesville to include the former Gainesville Manufactured Gas Plant and portions of the proposed Depot Avenue Stormwater Park, for the purposes of environmental remediation, rehabilitation and economic development. Since that time, the City expended considerable resources in this area, applied for, and received state tax credits available through the Florida Brownfields Redevelopment Act.*

*In April 2006, the City Attorney and City Auditor were asked to review and provide input on a proposed contract for the sale of approximately \$228,000 in tax credit certificates previously received by the City. The contract price offered was \$114,000, 50% of the face value of the certificates. The City Auditor advised that the proposed contract did not appear to be in the City's best interest and recommended management undertake a broadened approach to marketing these assets, obtaining final approval from the City Commission prior to any sale.*

*In June 2006, the City Commission made a referral to the Audit and Finance Committee regarding researching federal tax credit programs and requested the City Manager, Attorney and Auditor develop a process for obtaining maximum return for existing state brownfield tax credits held by the City. This referral related to the Mayor's Report of the New Cities Project. The City Manager provided a response related to the federal tax credit programs in August 2006.*

*In December 2006, the City Commission received an update on the competitive process established for the sale of the brownfield tax credits and authorized the*

*General Manager for Utilities to negotiate and execute an agreement with Foss and Company to market the tax credits. Foss and Company executed a purchase agreement with Discount Auto Parts, Inc., which resulted in the City receiving \$182,000 in net proceeds, 80% of the face value, from the sale of the tax credits.*

*Fiscal Note: The sale brokered by Foss and Company resulted in the City receiving approximately \$70,000 more than the contract price originally offered. Future voluntary tax credits from this project are expected to exceed \$2 million over the next several years and will be marketed using this established process.*

**RECOMMENDATION**

*The Audit, Finance and Legislative Committee hear a report on the City's Sale of Brownfield Voluntary Cleanup Tax Credits and recommend the City Commission remove this item from the referral list.*

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**MEMBER COMMENT**

**CITIZEN COMMENT**

**ADJOURNMENT**