

City of Gainesville

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



Meeting Agenda

June 14, 2006

3:30 PM

City Hall, Room 16

Audit, Finance and Legislative Committee

Mayor Pegeen Hanrahan, (Chair)

Mayor-Commissioner Pro Tem Craig Lowe, (Vice Chair)

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****060129****Audit and Finance Committee Minutes of April 11, 2006 (B)****RECOMMENDATION**

The Audit, Finance and Legislative Committee approve the minutes of April 11, 2006, as circulated.

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DISCUSSION ITEMS**060145****First Extension/Amendment to the Agreement for Professional Auditing Services between the City of Gainesville and Davis, Monk & Company and Ernst & Young LLP (B)**

Explanation: The City's Charter requires an annual financial audit to be completed by an independent certified public accountant. For the past five years, the independent CPA firms of Davis, Monk & Company and Ernst & Young LLP have provided these services through a contract executed in August 2001 and administered by the City Auditor's Office. The contract provides an option to extend these services for an additional three years and the joint venture of Davis, Monk and Company and Ernst & Young LLP is agreeable to extending the agreement. They have requested an increase in the base fee for audit services, due to increased governmental accounting and auditing pronouncements that will impact the City's future audits.

The City Auditor's Office has discussed the proposed contract extension with representatives from both General Government and Gainesville Regional Utilities and there is consensus that the proposed three year extension would be in the City's best interest given the high level of service and competitive rates provided by the current vendor. In addition, a review of the independent auditors' services and fees and a comparative analysis of fees charged to other Florida municipalities for similar services indicates that their proposed rates remain competitive. A competitive selection process will be conducted at the end of the three year extension.

Fiscal Note: The base fee for audit services was approximately \$160,000 for the fiscal year 2005 audit. Fees for the next three years are proposed at \$170,000, \$180,000 and \$190,000 as shown in Exhibit A. Fees for these services are shared by General Government and Gainesville Regional Utilities and will be provided in

the proposed budget documents for each.

RECOMMENDATION

The Audit, Finance and Legislative Committee recommend that the City Commission: 1) Approve the first extension/amendment to the agreement for professional auditing services with Davis, Monk & Company and Ernst & Young LLP; and 2) authorize the City Auditor to execute the first extension/amendment subject to the review of the City Attorney as to form and legality.

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060146

Report on the Status of Outstanding Audit Recommendations for June 2006 (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, Interim 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 accept the City Auditor's report.

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060130

Fiscal Year 2006 Operating Funds Quarterly Monitoring Report - Quarter Ending March 31, 2006 (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, 2006.

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060131

Second Amendment to the FY 2006 General Government Financial and Operating Plan (B)

Explanation: The purpose of this amendment is to accurately reflect and incorporate into the City's FY 2006 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 2006 General Government Financial and Operating Plan Budget.

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060147

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 March 31, 2006.

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MEMBER COMMENT

CITIZEN COMMENT

NEW BUSINESS

NEXT MEETING DATE

ADJOURNMENT