

# City of Gainesville

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



## **Meeting Agenda**

**March 5, 2014**

**5:00 PM**

**City Hall, Room 16**

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

*Mayor Ed Braddy, Chair  
Mayor-Commissioner Pro Tem Randy Wells, 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

[130743.](#)

Audit, Finance and Legislative Committee Meeting Minutes of January 29, 2014 (B)

**RECOMMENDATION**

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

[130743-Minutes of 1-29-14 AFLC.pdf](#)

## DISCUSSION OF ITEMS

[130740.](#)

Proposed Three Year Extension of Agreement for Professional Auditing Services for the Annual Financial Statements Audit - General Government Segment (B)

*Explanation: Florida Statutes section 218.39 and Gainesville Code of Ordinances section 2-433 require the City Commission to employ an independent certified public accountant, not connected with the government of the City, to audit the accounts maintained and the financial statements prepared by the City for each fiscal year. The current contract with Carr, Riggs and Ingram, LLC for the General Government segment for professional auditing services concludes with the audit of the September 30, 2013 financial statements. Carr, Riggs and Ingram, LLC has indicated that they are agreeable to extend the contract for an additional three years under the existing terms of the contract.*

*The City Auditor's Office has discussed the proposed contract extension with representatives from General Government 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.*

*Fiscal Note: The base fee for audit services was approximately \$95,000 for the fiscal year 2013 audit. Fees for the next three years would be adjusted based on the Consumer Price Index (CPI) percentage change for the Southern Region, all urban consumers, with a limit of 5% per year, as set forth in the current agreement. Fees for these services will be provided in the proposed General Government budget for each fiscal year.*

RECOMMENDATION

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

- 1) Approve the proposed three year extension of the agreement for professional auditing services - General Government segment with Carr, Riggs and Ingram, LLC; and
- 2) Authorize the City Auditor to execute the extension subject to the review of the City Attorney as to form and legality.

[130740 - Contract Extension for GG Audit Segment - Agenda Item.PDF](#)

[130741.](#)

Issuance of Request for Proposals for Professional Auditing Services for the Annual Financial Statements Audit - Gainesville Regional Utilities Segment (B)

*Explanation: Florida Statutes section 218.39 and Gainesville Code of Ordinances section 2-433 require the City Commission to employ an independent certified public accountant, not connected with the government of the City, to audit the accounts maintained and the financial statements prepared by the City for each fiscal year. The current contract with Ernst & Young, LLP for the GRU segment for professional auditing services concludes with the audit of the September 30, 2013 financial statements. Ernst & Young, LLP has indicated that they are not currently interested in an option to extend the contract for an additional three years. Therefore, the procurement of a new contract for professional auditing services requires the issuance of an RFP as soon as possible.*

RECOMMENDATION

The Audit, Finance and Legislative Committee recommend the City Commission authorize the issuance of a Request for Proposals (RFP) for professional auditing services for the annual financial statements audit - Gainesville Regional Utilities (GRU) segment utilizing the proposed methodology and selection factors.

[130741-RFP for GRU Audit Segment - Agenda Item.PDF](#)

[130547.](#)

Issuance of Request for Proposals for an External Investigative Review of Gainesville Regional Utilities (B)

*Explanation: On December 5, 2013, the City Commission referred the issue of a special audit of GRU to the Audit, Finance and Legislative Committee (AFLC). On January 29, 2014 the AFLC met and discussed this item. The Committee received extensive public input focused on numerous issues of concern related to past management practices and business decisions primarily related to the multi-year development and implementation of the Power Purchase Agreement (PPA) between*

*Gainesville Renewable Energy Center (GREC), LLC and the City of Gainesville d/b/a Gainesville Regional Utilities (GRU) dated April 29, 2009 and approved by the City Commission on May 7, 2009. There was also considerable discussion regarding the background and financial impact of the "Equitable Adjustment for Change of Law" agreement dated March 16, 2011.*

*Committee discussions focused on possible actions that could be taken from a management, legal, financial, policy and control perspective to prevent reoccurrence of the actions involved in implementing the GREC PPA and to positively affect the financial outlook of GRU, especially in the area of energy supply and energy delivery.*

*Committee members agreed to report to the City Commission on February 6, 2014 a joint recommendation for the City to move forward with an external review focusing primarily on GRU past management practices and business decisions related to the implementation and any amendments to the GREC PPA, and including a forward focus on recommendations having positive financial impacts on GRU energy supply and delivery.*

*On February 6, 2014, after Commission discussion and additional citizen input, the City Commission authorized the City Auditor to prepare an RFP for an external review to address:*

- 1) Opportunities for financial and operational benefit to GRU related, but not limited to the GREC PPA; and*
- 2) Recommendations of institutional controls that can be implemented that would help avoid the management discrepancies of the past and help strengthen the working relationship between GRU management and the City Commission.*

**RECOMMENDATION**

*The Audit, Finance and Legislative Committee recommend the City Commission authorize the issuance of a Request for Proposals (RFP) for an external investigative review of Gainesville Regional Utilities (GRU) utilizing the proposed methodology and selection factors.*

**Legislative History**

12/5/13	City Commission	Referred to the Audit, Finance and Legislative Committee
1/29/14	Audit, Finance and Legislative Committee	Recommended for Approval, as amended

[130547-A-Equitable Adjustment for Change of Law of the Power Purchase Agree](#)

[130547-B-GREC LLC Dispute - Equitable Adjustment Analysis-Outside Attorney](#)

[130547-C-RFP-External Investigative Review of GRU-Agenda Item.PDF](#)

[130547-D-Draft RFP External Investigative Review of GRU.PDF](#)

**MEMBER COMMENT**

**CITIZEN COMMENT**

**NEXT MEETING DATE**

**ADJOURNMENT**