

City of Gainesville

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



Meeting Agenda - Final

November 16, 2020

3:00 PM

City Hall Auditorium

Audit and Finance Committee

*Mayor Lauren Poe, Chair
Mayor-Commissioner Pro Tem David Arreola, Member*

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CALL TO ORDER - 3:00 PM**ROLL CALL****ADOPTION OF THE AGENDA****APPROVAL OF MINUTES**

[200370.](#) **Approval of Minutes from the Audit and Finance Committee Meeting Held on September 23, 2020 (B)**

RECOMMENDATION *The Audit and Finance Committee approve the September 23, 2020 minutes.*

[200370_September 23, 2020 Minutes_20201116.pdf](#)

DISCUSSION OF PENDING REFERRALS

[200511.](#) **Audit Report - General Government Non-Pension Investments (B)**

Explanation: The General Government Non-Pension Investments Review was included in the City Auditor's 2020 Fiscal Year Audit Plan, Resolution #190633, approved on December 5, 2019. The City Auditor's Office conducted a review of General Government Non-Pension Investments processes and related internal controls. The objective of the engagement was to examine the internal control environment and governance of two designated non-pension investments portfolios (surplus operating funds and cemetery trust fund) and internal controls over a recently implemented Fuel Hedging Program, at management's request.

RECOMMENDATION *The City Auditor recommends the Audit and Finance Committee review and recommend the City Commission accept the City Auditor's report.*

[200511_Audit Report_General Government Non-pension Investments_2020111](#)

[200515.](#) **Performance Reports for the City of Gainesville Operating Fund, General Employees' Pension Fund, Police Officers' and Firefighters' Pension Fund, Retiree Health Insurance Trust Fund, Evergreen Cemetery Trust Fund, and Gainesville Fuel Hedging Program (B)**

Audit & Finance Committee to review various quarterly investment and performance reports.

Explanation: Per the City's Investment Policy (attached), quarterly investment and performance reports are required to be provided to the Audit and Finance Committee for review. The following FY 2020 4th Quarter (ended September 30, 2020) reports are submitted:

- 1) *General Government Operating Fund*
- 2) *General Employees' Pension Plan*
- 3) *Police Officers' & Firefighters' Pension Plan*
- 4) *Retiree Health Insurance Trust Fund*
- 5) *Evergreen Cemetery Trust*
- 6) *Fuel Hedging Program*

Fiscal Note: General Government Operating Fund - FY 2020 year-end balance is \$155,677,281 with a total annual interest earned of \$1,585,925 and a fiscal year investment return of 1.18%.

General Employees' Pension Plan - FY 2020 year-end balance is \$415,322,703 with a fiscal year return of 4.07%.

Police Officers' & Firefighters' Pension Plan - FY 2020 year-end balance is \$243,155,356 with a fiscal year return of 7.1%.

Retiree Health Insurance Trust Fund - FY 2020 year-end balance is \$59,301,272 with a fiscal year return of 0.98%.

Evergreen Cemetery Trust - FY 2020 year-end balance is \$1,382,210 with a fiscal year return of 6.81%.

Fuel Hedging Program - During the fourth quarter, the Fuel Hedging Program produced a positive fuel cost (hedging realized loss) of approximately \$9,750 or approximately \$0.03 per gallon. As of September 30, 2020, there was an unrealized loss (contingent future positive fuel cost) of \$154,119 that corresponds to the time period October 2020 through February 2022. This is an unrealized loss of about \$0.07 per gallon on average for the time period for diesel and gasoline combined.

The projected returns of all the investment funds and fuel hedging program are included in the City's FY 2020 Budget.

RECOMMENDATION

Recommended Motion: The Audit and Finance Committee review and accept the submitted investment and performance reports.

[200515A_2020_City_Investment_Policy_20201116.pdf](#)

[200515B_General_Government_Operating_Fund_Quarterly_Report_2020-09-30_2](#)

[200515C_Gainesville_General_Pension_Quarterly_Report_2020-09-30_20201116](#)

[200515D_Police_Officer's_Firefighter's_Pension_Plan_Quarterly_Report_2020-09-](#)

[200515E_Retiree_Health_Trust_Quarterly_Report_2020-09-30_20201116.pdf](#)

[200515F_Evergreen_Cemetery_Trust_Fund_Quarterly_Report_2020-09-30_20201](#)

[200515g_Fuel_Hedging_Program_Quarterly_Report_20201116.pdf](#)

[200457.](#)

Fourth Quarter Amendment through September 30, 2020 to the FY 2020 General Government Financial and Operating Plan Budget (B)

Explanation: This Resolution authorizes Fiscal Year 2020 Year End budgetary transfers and adjustments which are necessary to resolve budget variances within the various Department and Office operating budgets.

As detailed in the attached exhibits to the Resolution, certain identified accounts may have exceeded budget appropriations in the course of operations of the Office or Department during Fiscal Year 2020. As a result, budget transfers and adjustments are necessary to offset and balance the identified budget variances.

Florida State Statute 166.241(5) provides the legal authority to make these necessary budgetary transfers and adjustments within a sixty (60) day period following the close of the fiscal year.

Fiscal Note: The budgetary transfers and adjustments detailed in the attached exhibits will not negatively impact the financial standing of the City at fiscal year-end 2020 as these are re-appropriations of unspent balances within each respective fund and department.

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.

[200457_Resolution_for_4th_Qtr_Amendment_to_FY20_GG_Budget_20201116.pdf](#)

[200457A_FY2020_4th_QTR_Amendatory_and_Summary_20201116.pdf](#)

PUBLIC COMMENT

MEMBER COMMENT

NEXT MEETING DATE - December 8, 2020

ADJOURNMENT

