

City of Gainesville

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



Meeting Agenda

June 29, 2010

1:00 PM

City Hall, Room 16

Audit, Finance and Legislative Committee

*Mayor Craig Lowe, Chair
Mayor-Commissioner Pro Tem Jeanna Mastrodicasa, 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****100107.****Audit, Finance and Legislative Committee Minutes (B)****RECOMMENDATION**

The Audit, Finance and Legislative Committee approve the minutes of March 29, 2010, as circulated.

DISCUSSION ITEMS**100115.****Report on the Status of Outstanding Audit Recommendations for June 2010 (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.

Summary of Results

We began the current period with 33 outstanding recommendations from 14 prior audits. The results of our review indicate management adequately implemented 16 of the prior period 33 recommendations, leaving 17 recommendations outstanding.

RECOMMENDATION

The Audit, Finance and Legislative Committee recommend that the City Commission accept the City Auditor's report.

100115_outstanding audit report_20100629.pdf

100116.

Payroll Verification Procedures - Pension and DROP Calculations (B)

Explanation: In accordance with our Annual Audit Plan, the City Auditor's Office completed a review entitled Payroll Verification Procedures - Pension and DROP Calculations. The primary objective of this audit was to provide reasonable assurance to the City Commission that the processes established to calculate retirees' and DROP participants' monthly pension annuity payments are operating effectively. Our procedures included interviewing key personnel within the Risk Management and Finance Departments who are involved in calculating pension and DROP payment amounts, reviewing City ordinances related to pension and DROP benefit payment calculations, analyzing payroll information supporting benefit calculations and testing management controls.

The Risk Management Department oversees and coordinates all aspects of the retiree process, completing retiree maintenance forms, reviewing applications for pension, calculating pension benefit estimates, entering vested future employee records and forwarding retiree information to the Finance Department's Payroll Division for data entry. The Payroll Division is responsible for entering retiree records into the retiree payroll system, processing monthly pension checks and calculating retiree and DROP participants' final average earnings. We would like to acknowledge the management and members of the Risk Management and Finance Departments for their professional courtesy and cooperation during our review.

As for all of our audits, we conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusion based on our audit objectives.

Conclusion

Based on the results of our review, we believe the processes established to calculate retiree and DROP participants' monthly pension annuity payments are operating effectively. We did note one isolated instance during our review, which was promptly corrected by management, where a cost of living adjustment was not properly implemented for a retiree's beneficiary. We also noted several issues related to the definition of earnings set forth in the City's Code of Ordinances, utilized to calculate pension annuity payments, which we believe should be evaluated in the future. Management has indicated that a thorough review of the City's pension earnings definitions and possible financial impacts will be conducted with the City's actuary over the next year and communicated to the City Commission. Any adjustments to the pension ordinance would likely require negotiations with affected bargaining units and were not within the scope of this review.

RECOMMENDATION

The Audit, Finance and Legislative Committee recommend that the City Commission accept the City Auditor's report.

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100117.**Gainesville Regional Utilities - Quarterly Financial Report (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, 2010.

GRU 2nd Quarter Financials UNAUDITED.pdf

100118.**Fiscal year 2010 Operating Funds Quarterly Monitoring Report - Quarter Ending March 31, 2010 (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 March 31, 2010.

100118_quarterly monitoring_rpt_gg_20100629.pdf

100119.**Second 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.

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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	
3/29/10	Audit, Finance and Legislative Committee	Continued	

090456_Payment Methods of Fees and Licenses_20091130.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
3/29/10	Audit, Finance and Legislative Committee	Discussed	

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MEMBER COMMENT

CITIZEN COMMENT

NEXT MEETING DATE

ADJOURNMENT