

# City of Gainesville

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



## **Meeting Agenda**

**April 04, 2011**

**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****100699.****Audit, Finance and Legislative Committee Minutes (B)****RECOMMENDATION**

*The Audit, Finance and Legislative Committee approve the minutes of November 30, 2010 and January 27, 2011, as circulated.*

100699\_nov30,2010minutes\_20110404.pdf

100699\_jan.27,2011minutes\_20110404.pdf

**DISCUSSION ITEMS****100849.****City of Gainesville Fiscal Year 2010 Comprehensive Annual Financial Report, Audited Financial Statements, Auditors' Reports, Auditors' Management Letters and Single Audit Reports, and Management's Written Response (B)**

*Explanation: In accordance with the City's contracts for external auditing services with Carr, Riggs & Ingram, LLC and Ernst and Young, Certified Public Accountants, the following reports are presented for review by the Audit, Finance and Legislative Committee:*

- 1. The Basic Financial Statements, Supplemental Information and Independent Auditors' Report, Management Letters and Single audit Reports of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2010; which are presented in the attached Comprehensive Annual Financial Report;*
- 2. The Financial Statements, Supplemental Information and Independent Auditors' Report of Gainesville Regional Utilities for the Fiscal Year Ended September 30, 2010;*
- 3. The Financial Statements and Independent Auditors' Report on the Wild Spaces and Public Places (WSPP) Funds of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2010;*
- 4. The Financial Statements and Independent Auditors' Report on the Employees' Pension Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2010;*
- 5. The Financial Statements and Independent Auditors' Report on the Consolidated Police Officers and Firefighters Retirement Plan of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2010;*
- 6. The Financial Statements and Independent Auditors' Report on the Disability*

*Pension Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2010; and*

*7. The Financial Statements and Independent Auditors' Report on the Other Postemployment Benefits Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2010.*

*In the opinion of the independent auditors, the financial statements referred to in items 1, 2 and 3 above present fairly, in all material respects, the financial position and changes in financial position of the City, GRU and the City's Wild Spaces and Public Places Funds for the year ended September 30, 2010, in conformity with generally accepted accounting principles.*

*In the independent auditors' opinion, the financial statements referred to in items 4, 5, 6 and 7 above present fairly, in all material respects, the net assets and changes in net assets held in trust for benefits for the year ended September 30, 2010, in conformity with generally accepted accounting principles.*

*As part of the audit process the independent auditors issue "management letter comments" along with several other reports related to internal control structure; compliance with certain provisions of laws, regulations, contracts and grants, and internal control structure and certain requirements applicable to federal and state financial assistance programs. These reports are presented within item 1 above under the heading of "Single Audit Section."*

*The auditors' management letter related to General Government indicates that there were no recommendations in the current year. The auditors' management letter and internal control report over financial reporting related to Gainesville Regional Utilities also indicates that there were no recommendations for the current year. This report also provides a status report on the progress made by GRU in implementing management letter recommendations from the previous year.*

*In accordance with Section 6(b) of Resolution 970187, City Auditor Responsibilities and Administrative Procedures, the City Auditor has reviewed the attached statements and reports to ensure that contractual terms have been fulfilled and transmits these reports with a recommendation for City Commission acceptance.*

**RECOMMENDATION**

*The Audit, Finance and Legislative Committee recommend that the City Commission accept the subject financial report, financial statements, auditors' reports, management letters and single audit reports; and accept management's written response.*

100849 CA Transmittal of FY2010 Audited Fin Stmt\_20110404.PDF  
100849A\_Summary of FY2010 GG\_Audit Results\_20110404.pdf  
100849B\_Summary of FY2010 GRU Audit Results\_20110404.pdf  
100849C\_FY2010 Comprehensive Annual Financial Report (CAFR)\_20110404.pdf  
100849D\_GRU Financial Statements - FY2010\_20110404.pdf  
100849E\_WSPP FY2010 Financial Statements\_20110404.pdf  
100849F\_Employee's Pension Fund FY2010 Financial Statements\_20110404.pdf  
100849G\_Consolidated Police and Fire Pension Fund FY2010 Financial Statements\_20110404.pdf  
100849H\_Disability Pension Fund FY2010 Financial Statements\_20110404.pdf  
100849I\_Other Postemployment Benefits Fund FY2010 Financial Statements\_20110404.pdf

**100507.****Funding RTS Routes and Associated ADA Service Outside the City Limits (B)**

**This item is a request to approve the service rate policy for transit service outside Gainesville City limits.**

*Explanation: The City of Gainesville Regional Transit System (RTS) provides transit services outside Gainesville City limits that are currently under contract with the Board of County Commissioners (BoCC).*

*On November 7, 2006, the Recreation, Cultural Affairs and Public Works Committee discussed rates for these services and although the Committee approved forwarding policy language to the City Commission for final approval, there is no record that the policy was adopted by the City Commission.*

*This item was referred by the City Commission to the Audit, Finance and Legislative Committee on November 4, 2010. On November 30, 2010, a proposed policy including the criteria for the service rate was discussed. The Committee requested that RTS staff bring back to their next meeting a set of formulas which would reflect the full cost of transit service provided outside the Gainesville City limits, including consideration of a possible surcharge for future service enhancement.*

*On January 27, 2011, a revised policy, which includes depreciation expense and a 10% surcharge for future service enhancement, was presented by RTS staff and discussed by the Committee. An additional item discussed but not recommended for implementation at this time was utilizing the Consumer Price Index (CPI) to reflect increased annual costs from calculation to payment of the service rate.*

*On February 17, 2011 this item was removed from regular City Commission agenda and sent back to the Audit, Finance and Legislative Committee for further discussion. Main topic of discussion is the surcharge rate.*

*The current proposed policy calculates an hourly service rate of \$71.37 for FY2012 for transit services outside the City limits.*

*Fiscal Note: Revenue generated by the service rate will cover any operating expenses associated with the service.*

**RECOMMENDATION**

*The Committee review policy and service rate and forward it to City Commission for final approval.*

**Legislative History**

11/4/10	City Commission	Referred (7 - 0)	Audit, Finance and Legislative Committee
11/30/10	Audit, Finance and Legislative Committee	Retained in Committee	
1/27/11	Audit, Finance and Legislative Committee	Recommended for Approval	
2/17/11	City Commission	Withdrawn	

100507\_RTS Proposed Policy\_20101130.PDF  
 100507\_Revised Formula\_20110127.pdf  
 100507\_spreadsheets\_20110217.pdf  
 100507\_Service Rate Policy\_20110217.PDF  
 100507\_ServiceRates\_20110404.pdf

**100852.****Quarterly Financial Report - Gainesville Regional Utilities (B)****RECOMMENDATION**

*The City Commission receive the GRU Quarterly Financial Report for the period ending 12-31-10.*

100852\_GRU 2011 First Quarter Financials\_20110404.pdf

**100853.****Fiscal year 2011 Operating Funds Quarterly Monitoring Report - Quarter Ending December 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 December 31, 2010.*

100853\_1st Quarter Report\_20110404.pdf

**100854.****First Amendment to the FY 2010-2011 General Government Financial and Operating Plan (B)**

*Explanation: The purpose of this amendment is to accurately reflect and incorporate into the City's FY 2010-2011 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.*

100854\_FY2011 Amendatory--1st Qtr\_20110404.pdf

**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**            *The Audit, Finance and Legislative Committee 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	
6/29/10	Audit, Finance and Legislative Committee	Retained in Committee (2 - 0)	

090456\_Payment Methods of Fees and Licenses\_20091130.pdf  
090456\_methods of payment\_20110404.PDF

**100858.****Review of Landlord Permit Revenues (B)**

*Explanation: In accordance with our Annual Audit Plan, the City Auditor's Office has completed a Review of Landlord Permit Revenues. The primary objective of this phase of our audit was to evaluate the system of management control over the billing and collection of landlord permit revenues. We previously issued an interim report related to driveway parking plans and departmental performance measurement data. During our review, we interviewed key personnel, analyzed operating data and evaluated management controls.*

*Based on the results of our review, we believe that opportunities exist for the Code Enforcement Division to strengthen the billing and collection process for landlord permits. Our report, which includes a response from the City Manager, is attached for your review. The report provides several recommendations related to reviewing options for collecting delinquent landlord non-compliance fees, developing a written procedures manual to document the landlord permit process, and utilizing the enhanced functionality of the Master Parcel System to better monitor trends and progress for landlord permit payments.*

*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 the City Commission:*

- 1) Accept the City Auditor's report and 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.*

100858\_City Auditor's Review of Landlord Permit Revenues\_20110404 .PDF

**080938.****Streamlining Gainesville Government Report (B)****RECOMMENDATION**

*The Audit, Finance and Legislative Committee discuss the status of this item.*

**Legislative History**

3/30/09      Audit, Finance and      Recommended for Approval, as revised  
    Legislative  
    Committee

5/7/09 City Commission Approved as Recommended (7 - 0)  
6/4/09 City Commission Adopted (Resolution) (6 - 0 - 1 Absent)

080938\_revised rules\_20090330.PDF  
080938\_Summary\_20090330.PDF  
080938\_Commission Rules\_20090507.pdf  
080938\_Rules Resolution\_20090604.PDF  
080938\_resolution\_20090604.pdf  
080938\_Matrix\_20110404.pdf

**MEMBER COMMENT**

**CITIZEN COMMENT**

**NEXT MEETING DATE**

**ADJOURNMENT**