

City of Gainesville

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



Meeting Agenda

April 03, 2012

2:00 PM

City Hall, Room 16

Audit, Finance and Legislative Committee

Mayor Craig Lowe, Chair

Mayor-Commissioner Pro Tem Thomas Hawkins, 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****110872.****Audit, Finance and Legislative Committee (AFLC) Minutes (B)****RECOMMENDATION**

The Audit, Finance and Legislative Committee approve the minutes of November 14, 2011, as circulated.

110872 - Audit, Finance and Legislative Committee Minutes of 11-14-2011.pdf

DISCUSSION ITEMS**110850.****City of Gainesville Fiscal Year 2011 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, 2011; 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, 2011;*
- 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, 2011;*
- 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, 2011;*
- 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, 2011;*
- 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, 2011; 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, 2011.*

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, 2011, 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, 2011, 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 and the auditors' management letter and internal control report over financial reporting related to Gainesville Regional Utilities both indicate that there were no recommendations in the current year. The auditors' reported two findings and associated recommendations related to their review of the City's federal grant programs, specifically related to RTS grants and the City's Community Development Block Grant and HOME investment Partnerships Programs. Management responded that they have already or will promptly implement the auditors' recommendations.

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 management's written response.

110850-3 - Wild Space and Public Places Financial Statements - FY 2011.pdf
 110850-4 - Employees Pension Fund Financial Statements - FY 2011.pdf
 110850-5 - Consolidated Police Officers and Firefighters Pension Plan Financial Stateme
 110850-6 - Disability Pension Fund Financial Statements - FY 2011.pdf
 110850-7 - Other Postemployment Benefits Fund Financial Statements - FY 2011.pdf
 110850-2 - GRU Financial Statements - FY2011.pdf
 110850 City Auditor's Transmittal of FY 2011 Audited Financial Statements.pdf
 110850 - A Summary of FY2011 GG Audit Results.pdf
 110850-1 Comprehensive Annual Financial Report (CAFR) - FY2011.pdf
 110850 - B Summary of FY2011 GRU Audit Results.pdf

110659.**City of Gainesville Elections - Expanded Examination of Several Issues (B)**

Explanation: On December 17, 2009, the City Commission referred the matter of City Election Issues - Permanent Election Date (Legistar Item #090601) to the Audit, Finance and Legislative Committee (AFLC). On September 20, 2010 and November 30, 2010, the AFLC discussed the concept of establishing a fixed spring election date with the Alachua County Supervisor of Elections. Ultimately, the AFLC recommended the City Commission maintain the current process established by ordinance regarding floating City election dates in the spring and retain this item in committee.

On August 30, 2011, the AFLC continued to discuss possible solutions for establishing permanent dates for future City elections, including options raised by previous Charter Review Committees. Provided as backup information was a July 6, 2011 memo from the City Attorney regarding previous Charter Review Committee processes and the October 10, 2005 final report from the City's Charter Review Committee, which recommended 4 year terms of office for the Mayor and City Commissioners, retaining 2-term limits and implementation of a consistent date for standalone fall elections in consecutively odd years. Also included as back-up from the August 30, 2011 AFLC meeting is a possible transition plan for moving to 4-year terms with fall elections.

At the January 19, 2012, City Commission meeting, Commissioner Susan Bottcher raised several issues related to City elections during Commission comment. The City Commission, after some discussion of the issue, approved an expanded referral to the AFLC to examine all facets of the City of Gainesville election systems and process including dates, terms, term limits and other issues relating to elections.

RECOMMENDATION

The Audit, Finance and Legislative Committee discuss this item and take appropriate action.

Legislative History

1/19/12 City Commission Referred (6 - 0 - 1 Absent) Audit, Finance and Legislative Committee

110659-1 City Attorney Memo to City Commission Regarding Previous Charter Review P
 110659-2 October 10, 2005 Charter Review Committee Final Report.pdf
 110659-3 Possible Transition Plan for 4 Year Terms with Fall Elections.pdf

110498.**Re-establishment of an Economic Development Officer Position (B)**

Explanation: On November 3, 2011, the City Commission referred the matter of reestablishing an Economic Development Officer Position to the Audit, Finance and Legislative Committee (AFLC) and the Economic Development University/Community Committee (EDUCC) for discussion.

On February 21, 2012, the EDUCC discussed the referral and heard staff information from the Planning and Development Services Director and the City Manager. Comments were provided by the Gainesville Area Chamber of Commerce and the University of Florida Development Corporation as well.

On March 15, 2012, the EDUCC presented a report to the City Commission recommending the City Commission direct the City Manager to add the reestablishment of an Economic Development Officer as an increment to the FY 13/14 budget, which was approved unanimously.

RECOMMENDATION

The Audit, Finance and Legislative Committee discuss this item and take appropriate action.

Legislative History

11/3/11	City Commission	Referred (7 - 0)	Audit, Finance and Legislative Committee
11/3/11	City Commission	Referred	Economic Development/University Community Com
3/15/12	City Commission	Approved as Amended (6 - 0 - 1 Absent)	

110498_Memo to EDUCC Chair_20120221.pdf

110498_Memo_City Manager To EDUCC _20120315.pdf

110851.**Review of GRU Information Technology Disaster Recovery (B)**

Explanation: In accordance with our Annual Audit Plan, the City Auditor's Office has completed a Review of GRU Information Technology (IT) Disaster Recovery. The primary objective of our audit was to evaluate the adequacy of GRU policies, procedures and plans related to information technology disaster recovery and data backup. During our review, we interviewed key personnel, reviewed procedures manuals, inspected the data center and evaluated management controls.

Based on the results of our review, we believe the GRU IT Disaster Recovery process has strong internal controls in place and uses sound approaches to help ensure that GRU will be able to recover data and resume operations timely in the event of a disaster. We do have three recommendations regarding classroom or functional exercises, improved documentation regarding visitor activity in data centers and timely completion of incomplete Data Recovery Plan elements which we believe will help to strengthen management controls in this area.

We request that the Committee recommend the City Commission accept our report and the General 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 that the City Commission:

1) Accept the City Auditor's report and the response from the General Manager for Utilities, 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.

110851 Review of GRU Information Technology Disaster Recovery.pdf

110855.**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 December 31, 2011.

110855- GRU FY12 First Quarter Financial Report.pdf

110780.**Regional Transit System (RTS) Driver-Operators Overtime (B)**

Explanation: The City Commission referred the issue of staffing and overtime for RTS Driver-Operators to the Audit, Finance and Legislative Committee during the City Commission meeting on March 1, 2012.

RECOMMENDATION

The Audit, Finance and Legislative Committee hear a presentation from RTS staff regarding this issue and take appropriate action.

Legislative History

3/1/12 City Commission Referred (7 - 0)

Audit, Finance and
Legislative Committee

110780 RTS Overtime Analysis.PDF

110854.**External Quality Control Review of the City Auditor's Office for the period October 2008 through September 2011 (B)**

Explanation: The City Auditor's Office conducts all audits in accordance with Government

Auditing Standards issued by the Comptroller General of the United States. These standards are broad statements of auditors' responsibilities and provide an overall framework for ensuring that auditors have the competence, integrity, objectivity and independence in planning, conducting and reporting on their work. In order to maintain compliance with Government Auditing Standards, the City Auditor's Office is required to undergo an external quality assurance review every three years.

The Association of Local Government Auditors (ALGA) has an established peer review program intended to assist member organizations in their efforts to comply with Government Auditing Standards. ALGA assigned Brian Parks, CPA, from the City of Jacksonville, Florida Office of the Council Auditor and Jon Goodman, CPA, CFE, from the Miami-Dade County, Florida Public Schools Office of Management and Compliance Audit to conduct an external quality control review of the City Auditor's Office.

The review team began their work in late 2011, reviewing the operating policies and procedures of the City Auditor's Office and relevant background information. During the week of January 23rd, 2012, the team conducted a site visit in Gainesville, examining the internal quality control system and a sample of audit reports issued, including the audit workpapers supporting the reports. The primary objective of the examination was to determine whether audit work performed by the City Auditor's Office during the three year period from October 2008 through September 2011 complied with Government Auditing Standards issued by the Comptroller General of the United States.

Conclusion

We are pleased to report the review team found that the City Auditor's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards. The review team's report, as well as a written response from the City Auditor, is attached.

RECOMMENDATION

The Audit, Finance and Legislative Committee recommend that the City Commission accept the External Quality Control Review report prepared by the Association of Local Government Auditors Review Team and the City Auditor's response.

110854 Peer Review Report for 2008 through 2011.pdf

110856.

First Amendment to the FY2011-2012 General Government Financial and Operating Plan (B)

Explanation: The purpose of this amendment is to accurately reflect and incorporate into the City's FY 2011-2012 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, Finance and Legislative Committee:

*1) Review the proposed amendatory budget resolution;
and if acceptable,*

*2) recommend that the City Commission adopt the
proposed resolution.*

110856-1 FY12 1st Amendatory Budget Resolution.pdf

110856 - Attachment A From FY12 1st Amendatory Budget Resolution.pdf

110857.

**Fiscal Year 2012 Operating Funds Quarterly Monitoring Report - Quarter
Ending December 31, 2011 (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, 2011.*

110857 - GG FY12 First Quarter Monitoring Report.pdf

MEMBER COMMENT

CITIZEN COMMENT

NEXT MEETING DATE

ADJOURNMENT