

City of Gainesville

City Hall
200 East University Avenue
Gainesville, Florida 32601



Meeting Agenda - Final

September 22, 2021

2:30 PM

City Hall Auditorium

Audit and Finance Committee

Mayor Lauren Poe, Chair

Mayor-Commissioner Pro Tem Gail Johnson, Member

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CALL TO ORDER**ROLL CALL****ADOPTION OF THE AGENDA****APPROVAL OF MINUTES**

[210199.](#) **Approval of Minutes from the July 13, 2021 Audit and Finance Committee Meeting (B)**

RECOMMENDATION *The Audit and Finance Committee approve the minutes of July 13, 2021.*

[210199_July 13, 2021 Minutes_20210921.pdf](#)

DISCUSSION OF ITEMS

[210440.](#) **Audit of Administration and Management of Evergreen Cemetery Operations (B)**

Explanation: The objective of this audit engagement was to review the design adequacy and operating effectiveness of financial and operational controls related to Evergreen Cemetery Trust Fund allocation and management of cemetery operations and maintenance activities. This audit was included in the City Auditor's 2021 Audit Plan.

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

[210440_Audit of Administration and Management of Evergreen Cemetery Oper: 210440 A_Slides_Audit of Administration and Management of Evergreen Opera](#)

[210444.](#) **City Auditor Quarterly Update (B)**

Explanation: The City Auditor Quarterly Update provides more transparency into activities conducted by the Office of the City Auditor. The update includes status of our work in progress, audit issue follow up, and other activities.

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

[210444_City Auditor Quarterly Update 9.22.2021_20210922](#)

[210436.](#)

Fiscal Year 2021 Third Quarter Analysis of Budget Compared to Actual Revenues and Expenditures for the Period Beginning October 1, 2020 and Ending June 30, 2021 With Projections Through September 30, 2021 (B)

Audit & Finance Committee to review FY 2021 budget to actual performance and projections through end of fiscal year.

Explanation: This quarterly report presents an overview of the City's operating revenues and expenditures through the second quarter of fiscal year 2021, as compared to budgeted amounts, and explains any notable variances or trends in these numbers. It also provides a projection of revenues and expenditures through the end of the fiscal year.

The financial information in this report is organized by City funds as follows:

- *General Fund*
- *Special Revenue Funds*
- *Proprietary Funds*

The purpose of this quarterly public reporting on the City's revenues and expenditures is twofold. First, it ensures that the City is consistently monitoring its revenues and expenditures so that it can proactively respond to unanticipated changes or emerging trends. Second, and equally important, these reports increase the transparency of City finances. The City is ultimately accountable to its neighbors to use the revenue it brings in efficiently and effectively to provide the highest quality services, and quarterly public reporting provides the information they need to hold the City to this standard.

Fiscal Note: This analysis of budget to actual operating revenues and expenses with projections through September 30, 2021 provides the status of the City's budget for the first nine months of the fiscal year. Based on preliminary projections, the General Fund is projected to end the fiscal year with a \$3.5 million surplus, the Special Revenue fund is expected to end the fiscal year \$13.1 million below the amended budget and the Proprietary Funds are expected to end the fiscal year \$27.7 million below the amended budget. While the first nine months of the fiscal year does not provide a definitive indication of experience for the remainder of the fiscal year, it does provide further clarity in identifying any potential issues at year-end.

RECOMMENDATION

Recommended Motion: The Audit & Finance Committee: 1) review the submitted budget analysis report; 2) approve the submitted budget

analysis report for distribution to the City Commission.

[210436_FY2021 Third Quarter Budget to Actual Analysis and Projections_2021](#)

[210435.](#)

Fiscal Year 2021 Third Quarter Investment 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 (B)

Audit & Finance Committee to review various Fiscal Year 2021 Third Quarter Investment Performance Reports.

Explanation: In accordance with the City's Investment Policy, quarterly investment and performance reports are required to be provided to the City Commission. The following reports are submitted for Fiscal Year 2021 Third Quarter (period ended June 30, 2021):

- 1) Operating Funds SBA Prime Fund Investment Performance Report*
- 2) General Employees' Pension Fund Investment Performance Report*
- 3) Police Officers' & Firefighters' Pension Fund Investment Performance Report*
- 4) Retiree Health Insurance Trust Fund Investment Performance Report*
- 5) Evergreen Cemetery Trust Fund Investment Performance Report*

Detailed quarterly reports related to the City's SBA Prime Fund account & Truist bank accounts, Evergreen Cemetery Trust Fund, General Employees' Pension Plan, Police Officers' & Firefighters' Pension Plan and Retiree Health Insurance Trust Fund are included as back-up to this item. The reports are derived from applicable bank and custodian statements, and are provided by staff and respective investment consultants.

Additionally, two internal review committees meet quarterly to review the portfolio's performance, economic and market conditions to ensure the City is most favorably positioned in its investment portfolios.

Fiscal Note: The General Government pooled cash is held in the SBA Prime Fund and interest bearing Truist demand deposit bank accounts. As of June 30, 2021, the cash and investment balance was \$157,863,693. Fiscal year-to-date interest of \$186,412 was earned at an annualized rate of return of 0.16%.

The Evergreen Cemetery Trust Fund is managed by the City in accordance with its Investment Policy. As of June 30, 2021, the Fund had

an investment account balance of \$1,893,580 with a fiscal year-to-date investment return of 37.00%.

The General Employees' Pension Plan is managed by the City in accordance with its investment policy. As of June 30, 2021, the Plan had an investment account balance of \$729,547,326 with a fiscal year-to-date investment return of 27.08%.

The Police Officers' & Firefighters' Pension Plan is managed by the Plan's Board of Trustees in accordance with its investment policy. As of June 30, 2021, the Plan had an investment account balance of \$356,616,559 with a fiscal year-to-date investment return of 23.4%.

The Retiree Health Insurance Trust Fund is managed by the City in accordance with its investment policy. As of March 31, 2021, the Fund had an investment account balance of \$74,095,906 with a fiscal year-to-date investment return of 25.69%.

RECOMMENDATION

Recommended Motion: The Audit & Finance Committee: 1) review the submitted investment performance reports; 2) approve the submitted investment reports for submission to the City Commission.

[210435 A_FY21 3rd Quarter Investment Performance Memorandum_20210922](#)

[210435 B_FY21 3rd Quarter SBA Prime Fund Investment Report_20210922](#)

[210435 C_FY21 3rd Quarter General Employees' Pension Fund Investment Re](#)

[210435 D_FY21 3rd Quarter Police Fire Pension Fund Investment Report_202](#)

[210435 E_FY21 3rd Quarter Retiree Health Trust Fund Investment Report_202](#)

[210435 F_FY21 3rd Quarter Evergreen Trust Fund Investment Report_2021092](#)

[210438.](#)

Fiscal Year 2021 Third Quarter Performance Report for the City of Gainesville Fuel Hedging Program (B)

Audit & Finance Committee to review the Fiscal Year 2021 Third Quarter Fuel Hedging Program Performance Report.

Explanation: The City of Gainesville's Fuel Hedging Policy, effective April 27, 2020, Section 5 "Execution, Monitoring and Reporting" requires quarterly reports that provide an analysis of the status of the program's performance over the last quarter for the City.

Fiscal Note: As of June 30th, 2021, there was an unrealized gain (contingent future negative fuel cost) of \$839,189 that corresponds to the time period July 2021 through August 2022. This is an unrealized gain of about \$0.39 per gallon on average for the time period for diesel and gasoline combined. Additional information is shown in Attachment A.

RECOMMENDATION

Recommended Motion: The Audit & Finance Committee: 1) review the submitted Fuel Hedging Program performance report; 2) approve the submitted Fuel Hedging Program performance report for distribution to the City Commission.

[210438 A_FY 2021 Third Quarter Fuel Hedging Program Memorandum_202109](#)

[210438 B_FY 2021 Q3 Fuel Hedging Program - Attachment A_20210922](#)

[210446.](#)

Gainesville Regional Utilities Internally Prepared Budget to Actual Comparison for the Period Ended June 30, 2021 (B)

Explanation: The following item is presented for review:

Budget to Actual Comparison for the Period Ended June 30, 2021, internally prepared.

RECOMMENDATION

The Audit and Finance Committee review and recommend the City Commission accept Gainesville Regional Utilities Internally Prepared Budget to Actual Comparison for the Period Ended June 30, 2021.

[210446 GRU Budget Comparison for the period ended June 30, 2021_202109](#)

PUBLIC COMMENT

MEMBER COMMENT

NEXT MEETING DATE - November 15, 2021

ADJOURNMENT