

**CITY OF CORAL GABLES BUDGET/AUDIT ADVISORY BOARD**

**Wednesday, January 27, 2021 8:00 a.m.**

**Location: City Hall Commission Chambers**

**405 Biltmore Way, 2<sup>nd</sup> Floor, Coral Gables, FL 33134**

**Public via Zoom: Meeting ID: 93003224302**

**MEETING MINUTES**

<b>MEMBERS</b>	<b>F</b>	<b>M</b>	<b>A</b>	<b>M</b>	<b>J</b>	<b>J</b>	<b>A</b>	<b>S</b>	<b>O</b>	<b>N</b>	<b>D</b>	<b>J</b>	<b>APPOINTED BY:</b>
	20	20	20	20	20	20	20	20	20	20	20	21	
Rosa Bravo	P	-	-	-	-	-	P	-	-	-	-	PVC	Mayor Valdes-Fauli
Alex Menendez	E	-	-	-	-	-	P	-	-	-	-	A	Vice Mayor Vince Lago
Carmen Olazabal	P	-	-	-	-	-	P	-	-	-	-	PVC	Commissioner Jorge L. Fors
Carmen Sabater	P	-	-	-	-	-	E	-	-	-	-	PVC	Commissioner Pat Keon
Francisco Paredes	P	-	-	-	-	-	P	-	-	-	-	P	Commissioner Mena

(Dash indicates no meeting; blank space indicates member not yet serving.)

^ - New Member

# - Special meeting

\*\* - Resigned Member

PVC – Present Via Video Call

P – Present

A – Absent

E - Excused

**City Staff:**

Keith Kleiman, Assistant Finance Director for Management, Budget & Compliance  
 Elsy Fuentes, Internal Audit/Grants  
 Michelle Blackstock, Crowe

**Call to Order:**

The meeting was called to order at 8:13AM by Diana Gomez, facilitated the meeting in absence of the Chair. The roll was taken, there was no in person quorum, so the meeting continued as a Workshop. Ms. Gomez advised that no action could be taken at this meeting.

**Meeting Minutes:**

As there was no in-person quorum, minutes could not be approved. Ms. Gomez asked if there were any comments or corrections necessary to any of the Minutes and there were none. Regarding the minutes of August 26<sup>th</sup>, Frank Paredes asked as to the status of the Waste Management Services RFP. Ms. Gomez advised that the contract was awarded to Waste Mgmt and the contract was currently under negotiations.

**Presentations/Discussions:**

• **Discussion: Internal Audit of Coral Gables Land Lease Agreements**

The auditors reviewed the audit report and discussed the four opportunities for improvements; two were considered moderate risk and two were considered low risk. There were no high-risk observations. The objective of the procedures performed was to evaluate and test the effectiveness of selected internal controls and processes. Specifically, to determine if the Palace Mgmt Group and Coral Grand LLC are paying the City the proper rental payments as outlined in the agreement.

It was discussed that the City has implemented internal processes to mitigate the risks of incorrect sales tax calculation as well as timely receipt of correct financial statements. The City has implemented formal policies and procedures to ensure correct payments are being submitted to the City in a timely manner.

- **Discussion: Quarterly Overtime Report – Police & Fire – 4<sup>th</sup> Quarter of FY20**

Keith Kleiman presented the quarterly overtime report starting with the Police department overtime. Normal overtime is in line for all divisions except Professional Standards and Technical Services. These two divisions will be monitored closely. In the aggregate, Police FY20 normal overtime ended the year at a not overly significant 107% of budget. However, the divisions mentioned above ended at 141.3% and 161.5%, respectively, benefiting from surpluses that occurred in other Police divisions. Moreover, the Technical Services Division incurred a very significant \$575K in vacancy related overtime. Though some vacancy related overtime was warranted for this division due to long standing Communication Operator vacancies, the amount appears to be excessive. The City's Internal Audit Division will be auditing Police Overtime usage from a policy and process point of view. This audit will hopefully start in the spring when more people have been vaccinated and it is safer for in-person interviews.

For the Fire Department, normal overtime came in at just under 72% of budget and occurred a minimum of \$91K in vacancy related overtime due to a low vacancy rate.

- **Discussion: Quarterly Overtime Report – Police & Fire – 1<sup>st</sup> Quarter of FY21**

Keith Kleiman presented the quarterly overtime report starting with the Police department overtime. Normal overtime is under budget for all divisions except Professional Standards. This division will be monitored closely.

Vacancy related overtime in Technical Services Division is significantly lower when compared to this time last year. However, it might still be looked at as too high considering the fact that the long-standing vacancies were filled during the first quarter of FY21. As stated above, the internal audit will review the overtime policies and process to obtain a better understanding of overtime usage departmentwide.

Regular Fire overtime is under budget for the first quarter. Vacancy related overtime is minimal for the first quarter and was easily absorbed with salary surplus generated by existing vacancies.

- **Public Comment** - *This time is for comments from the public.*

Myra Jolli asked why Administration Overtime was so much less in the First Quarter of FY 21.

Ms. Gomez indicated that the likely reason for the decrease from the prior year is that the first quarter of FY20 the City was not under a pandemic and employees likely took vacation time and the City needed to cover with overtime. Being that the first quarter of FY21 was under a pandemic, the City has noticed an overall decline in vacations and likely there was not as much need for overtime.

Mr. Kleiman indicated that Administration Division Overtime for the current FY was at 3% which is well in line with their budget. A detailed review of the one-time underspending was not performed because Departments are authorized to manage their own budgets without undue oversight, unless Finance feels the underspending is unwarranted. However, if an underspending trend is identified, the Budget office will review and discuss remedial action with the department.

- **Discussion Items** - *This time is for informal discussion among the Board members and the City.*

No items for discussion.

**Scheduling:**

The next meeting is scheduled for Wednesday, February 24, 2021

**Adjournment:**

Meeting Adjourned at 8:58AM.