

CITY OF CORAL GABLES BUDGET/AUDIT ADVISORY BOARD

Wednesday, October 25th, 2023, 8:00 a.m.

Location: City Hall Conference Room

405 Biltmore Way, 1st Floor, Coral Gables, FL 33134

Public via Zoom: Meeting ID: 842 4397 5634

MEETING MINUTES

MEMBERS	S	O	N	D	J	F	M	A	M	J	J	A	APPOINTED BY:
	23	23	23	23	24	24	24	24	24	24	24	24	
John Holian	A	P											Mayor Vince Lago
Frank Paredes	P	P											Vice Mayor Rhonda Anderson
Debra Register	P	PVC											Commissioner Melissa Castro
Joseph Palmar	P	P											Commissioner Ariel Fernandez
Carmen Sabater	A	A											Commissioner Kirk Menendez

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

^ New Member

#- Special meeting

P – Present

** - Resigned Member

A – Absent

PVC – Present Via Video Call

E - Excused

City Staff:

Diana Gomez, Finance Director

Paula Rodriguez, Assistant Finance Director for Management, Budget & Compliance

Call to Order:

The meeting was called to order at 8:08 AM by Frank Paredes. The roll was taken, and an in-person quorum was established. The meeting was also available on Zoom for public access.

Meeting Minutes

A motion was made by John Holian seconded by Joseph Palmar to approve the September 6, 2023, meeting minutes.

• **Old Business**

- Discussion regarding FY 24-28 Capital Improvement Plan

As a continuation to last month’s meeting regarding the Budget Process, Assistant Director Paula Rodriguez shared a presentation regarding the 5-year Capital Improvement Plan (CIP), that is adopted by the City, as a part of the Budget Process. This year’s Capital Improvement plan including the replacement of fleet is \$46,632,520. Mr. John Holian inquired if the Capital Improvement Plan is a rolling 5-year plan. Mrs. Rodriguez explained that it is, however, the new funding included in the budget process is for the current year. Funding for the future years is planned based on needs and funding is not yet identified. Not all requests can be funded in one year. Of the \$46.6M, \$41M is capital funding and the remainder is for the fleet replacement matrix which is included in the operating budget.

Mr. Frank Paredes inquired regarding the Network Infrastructure Matrix and if the future years be in the operating budget as opposed to the CIP. Mrs. Rodriguez explained that the City develops several matrices within the CIP and the network infrastructure includes the replacement of IT components including hardware. Many of these items become assets that are capitalized and amortized. Mr. Holian commented that it is a great accomplishment for the City to make these investments into projects and facilities to account for future expenditures and deferred maintenance. Mrs. Rodriguez explained that not many cities have established this level of planning.

Mr. Joseph Palmar inquired why the projected need amount is the same for FY 25-28 and

Mrs. Diana Gomez explained that we only are aware of the needs that are described as of this moment. The matrices fund the estimated amount to replace an item over the useful life. For example if the useful life of a piece of equipment is 5 years, the cost to replace the item is included in the plan as 1/5 the amount each year. Mrs. Rodriguez explained that these matrices are reviewed with departments each year as part of the budget process. The 5 year CIP shows a total of \$7.6M for Capital Equipment projects, this amount is made up of \$3.4M of prior year available funding, \$1.4M in amounts encumbered (purchase orders) and \$2.8M of new funding for FY 24..

Mr. Palmar inquired regarding as to what software the City uses to track the different line item details and if it is a capital budgeting system. Mrs. Rodriguez explained that is the capital planning is done through Excel. We do have an ERP system that holds our actuals, expenditures, purchasing, payroll, etc. Mrs. Rodriguez explained that the City has not identified a system for the development of the capital budget that provides the reporting in the format that we like, any existing software would need to be personalized. We have a good system in place with the use of excel that allows us the flexibility to make modifications. Mrs. Rodriguez and Mrs. Gomez explained that the tracking of budget and actuals is done in the City's ERP, INFOR. The Excel worksheet is used for future year planning.

Mrs. Rodriguez continued explaining that requested projects that are not funded in a given year are moved to future years, in order to not lose the request. The projects are reevaluated every FY during the budget planning process and are funded based on the availability of funding, priority, , and the City's ability to take on/complete new projects. The Capital Plan is presented to the Commission and conversations regarding needs, wants, and priorities take place.

The Budget Preparation Calendar was presented to the Board including a summary of the process, timeline and meetings that take place. The process begins annually in February and is completed in September resulting in an adopted budget. Mr. Holian asked how confident the City was that no surprises in terms of expenses not included in the CIP were expected. Mrs. Rodriguez explained that there always ongoing conversations of needed projects or changes to existing project which provide direction throughout the year.

Mr. Palmar inquired about the Passport Office Renovation project and Mrs. Rodriguez explained the project is funded by the revenue generated by the passport office which is restricted funding. The passport office is very busy, and has a need to expand. Mrs. Gomez explained to Mr. Palmar that the Passport Office is a part of the CIP even though it funds itself because we still budget for all our funds. Mrs. Rodriguez briefly went over project type by funding source along with grants. The funding for parks includes Toledo and Alava and Blue Road Open Space which are projects receive grant funding. We make sure to fund the projects within the grant timeline. Mr. Palmar asked where the grant funding is reflected and Mrs. Rodriguez explained that the grants funds are reflected in the General Fund and are considered available funding for the specific project. Mrs. Gomez also went over the criteria for capital projects; it should have a minimum life of 1 year and a cost of \$1,000 minimum. Mrs. Rodriguez also went over some projects that receive grant funding.

Mrs. Rodriguez mentioned that for the next meeting she may have a presentation ready for the Internal Audit Plan for this fiscal year. We are currently working with our consultant to review the scope of work. Mr. Palmar asked who the City uses for internal audits. Mrs. Rodriguez responded that the City's internal audits are performed by Crowe Consulting. Mr. Paredes emphasized that they work with operational lines. It is not a fiscal year audit.

Mrs. Gomez concluded by asking what the Board would like to see more of or discuss outside of what we regularly present. The City Clerk's Office informed us that even if we do not have topics to discuss, we should still be holding a meeting made available in case the public had any questions/concerns/comments. Mr. Palmar expressed that in the past he advised a healthcare system against relying on spreadsheets for capital because they were susceptible to error/corruption. Mrs. Rodriguez emphasized that our spreadsheets are for planning future fiscal

years (FY 25-28) All appropriated funds are on INFOR and tied to purchase orders, accounts, encumbrances, etc. We are currently implementing the Payroll side on INFOR and that would complete implementation of our ERP system.

Mrs. Carmen Sabater's absence was discussed along with the attendance requirement of the Board.

- **New Business**

- Proposed 2024 Budget Audit Advisory Board Meeting Dates

All Board members agreed on the proposed 2024 meeting dates. Finance Director Diana Gomez explained that these dates will be set with the City Clerk's Office and a calendar invitation will be sent to all Board Members once approved by the City Clerk's Office.

- Approval of Budget Audit Advisory Board Annual Report

The Annual Report, a report required by the City Clerk's Office, is due annually on October 1st. The ordinance and process were briefly explained to the new members. A draft was submitted to the Board and the City Clerk's Office prior to the October 1st deadline. The Board had no objections, and a motion was made by Mrs. Debra Register second by Mr. Holian to approve the report. The signed and approved version was submitted to the City Clerk's Office as a replacement for the draft.

- **Scheduling**

The next meeting is scheduled for January 25th, 2023-8:00 AM.

No Public Comments were made.

Adjournment:

Meeting Adjourned at 9:00 AM.