

CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD
Meeting Minutes: August 27, 2014, 8:15 a.m.

Conference Room First Floor, City Hall, 405 Biltmore Way, Coral Gables, Florida

MEMBERS:	S	O	N	D	J	F	M	A	M	J	J	A	APPOINTED BY:
	13	13	13	13	14	14	14	14	14	14	14	14	
Jose E. Smith	-	P	-	-	P	P	-	P	-	P	-	P	Mayor Jim Cason
Roland Sanchez	-	P	-	-	P	P	-	P	-	P	-	P	Vice Mayor William H. Kerdyk, Jr.
Alex Menendez	-	P	-	-	P	P	-	P	-	P	-	A	Commissioner Vince Lago
Ramon Oyarzun**	-	P	-	-	E	P	-	P	-	-	-	-	Commissioner Frank C. Quesada
Cheryl Goldstein	-	P	-	-	P	P	-	P	-	P	-	P*	Commissioner Pat Keon

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

*Ms. Goldstein left the meeting at 9:12 a.m.

^ = New Member

= Special Meeting

** = Resigned Member

Staff:

Diana M. Gomez, Finance Director

Keith R. Kleiman, Management and Budget Director

Lori St. John, Chief Compliance Officer

Minutes Preparation and Recording Secretary: Nancy C. Morgan, Coral Gables Services, Inc.

PROCEEDINGS:

The meeting was called to order by Mr. Sanchez at 8:31 a.m.

MINUTES – JUNE 25, 2014 MEETING:

Ms. Goldstein made a motion to approve the minutes of the June 25, 2014 meeting as presented. Mr. Smith seconded the motion, which passed unanimously.

REVIEW OF QUARTERLY REPORT FOR NINE MONTHS ENDED JUNE 30TH, 2014:

Prior to beginning the review of the quarterly report, Ms. Gomez relayed that a sunshine discussion meeting was held on July 30th (quorum for the scheduled meeting was not possible) with Ms. Goldstein and Mr. Menendez, at which time she and Mr. Kleiman comprehensively reviewed the quarterly report, the budget presentation, budget workshop information and responded to their questions.

During the Quarterly Report review, Ms. Gomez said total revenues were at \$129 million in a \$149 million budget, 86% higher than the same time last year. She reviewed revenues and expenditures for the period, stating that this was an overall good report for the nine-month period, and that everything appeared to be on track.

Mr. Kleiman mentioned that report for FY2013/2014 3rd quarter overtime was available if time permitted. If not, the report will be presented at the next Budget Audit Advisory meeting.

BUDGET ESTIMATE PRESENTATION/DISCUSSION:

Mr. Kleiman conducted a detailed review of the budget estimate presentation summary for 2014/2015, including; revenue increases, decreases and expenditure changes affecting the budget; capital projects 2014/2015 budget estimate; employee classification ten-year comparison; 10-year property tax millage rate schedule; estimated average taxable value of homestead properties; comparison of City millage rates in Miami-Dade County compared to the Coral Gables proposed millage rate; and property tax distribution per tax dollar. He and Ms. Gomez responded to requests for clarification during the presentation, including Ms. Goldstein's inquiries about reducing credit card fees, and recouping \$3 million in uncollected garbage fees.

Ms. Gomez said the City's first budget hearing was scheduled September 11th and the second on September 23rd, at which time the City's 2014/2015 budget will be adopted and take effect October 1, 2014.

BIENNIAL COMPLIANCE REPORT: FORMER VETERANS ADMINISTRATION HOSPITAL (PRATT GENERAL) OR BILTMORE HOTEL, FISCAL YEARS 2012-13:

Ms. St. John summarized the history of the conveyance of the former Veterans Administration Hospital to the City of Coral Gables in April 1973 by quit claim deed, pursuant to a federal statute. The purpose of the statute was to authorize conveyance of government surplus property, without remuneration, that is suitable and desirable for use as an historic monument for the benefit of the public. Pursuant to the quit claim deed, there were conditions, a part of which stipulated that the City submit a biennial compliance report to the U.S. Secretary of the Interior/National Park Service as the City-owned Biltmore Hotel is a revenue-producing property. Specific information guidelines are followed by the City in the report. Not included in the printed report were Biltmore Hotel financial statements (proprietary and confidential business property); and extensive color photographs (on hand at the meeting in a hardcover bound copy for Board review).

Ms. St. John pointed out that the net revenue received by the City from the Biltmore Hotel must be used for historic purposes for historic properties. Initially, she said all historic properties within the City were identified, after which the components related to preserving these historic properties was reviewed. She advised that the City far exceeds the requirements. For purposes of 2012/2013, the City had over \$2 million in excess revenues over expenditures and, cumulatively, has over \$59 million in eligible costs available for future periods. In a biennial period, the City far exceeds the amount it needs to spend in accordance with the criteria of the Department of Interior. At the conclusion of the report, Board members had no questions.

UC REVIEW OF BANK RECONCILIATIONS FOR THE SECOND QUARTER FYE 9/30/14:

Ms. St. John reported that the Internal Audit Division performed a review of the bank reconciliations for Police undercover operations for the second quarter of the fiscal year ending September 30, 2014. The review of both bank accounts revealed proper bank reconciliations were being performed on a timely basis, by appropriate staff members and with the required approval signatures. No unusual activity was noted.

DISCUSSION ITEMS:

At Mr. Sanchez' request, Ms. Gomez reviewed the status of the process and schedule for hiring a new City Manager.

SCHEDULING NEXT MEETING:

Ms. Gomez suggested a one-time meeting date change to September 17, 2014, to occur on a date between the scheduled dates for the first and second budget hearings so any new information can be reported to the Board. All present indicated agreement.

The meeting adjourned at 9:30 a.m.

Next Meeting: Wednesday, September 17, 2014, 8:15 a.m. City Hall First Floor Conference Room.

Respectfully submitted,



Diana M. Gomez

Finance Director, Secretary to the Board