

**CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD
Meeting Minutes: June 25, 2014, 8:15 a.m.**

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

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

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

^ = New Member

= Special Meeting

** = Resigned Member

Staff:

Diana Gomez, Finance Director

Keith Kleiman, Management and Budget Director

Lori St. John, Chief Compliance Officer

Interim City Manager Carmen Olazabal (left meeting at 8:45 a.m.)

Guests: David Perez, Coral Gables Fire Department; Mike Chickillo (arrived at 9:10 a.m.), Coral Gables Fire Department

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

PROCEEDINGS:

The meeting was called to order by Mr. Sanchez at 8:15 a.m.

MINUTES – APRIL 16, 2014 MEETING:

Mr. Menendez made a motion to approve the minutes of the April 16, 2014 meeting as presented. Ms. Goldstein seconded the motion, which passed unanimously.

BUDGET AUDIT ADVISORY BOARD:

Ms. Olazabal announced that Ms. Gomez would serve as Secretary to the Board, and advised she would attend meetings as requested to address issues or respond to questions.

Regarding the Board's need for a fifth member, Ms. Olazabal said she would speak with Commissioner Quesada about his plans to appoint a Board member to replace Mr. Oyarzun.

PARKS AND RECREATION FUNCTIONAL REVIEW OF OPERATIONS:

Ms. St. John reviewed the purpose, scope, background, findings and recommendations of the extensive, non-audit, functional review of operations of the Parks and Recreation Division of the Community Services Department. The purpose of the review was to identify good business practices in evaluating program and management approaches, and to ascertain if the Division is operated in accordance with the Commission for Accreditation of Parks and Recreation Agencies. The review, restricted to overall operations, did not include the Division's financial operations.

As Ms. St. John moved through the report, she covered 16 review findings and recommendations regarding Parks and Recreation's areas of operation, including administrative, tennis centers, Venetian Pool, Granada Golf Course, golf carts, Youth Center/playgrounds and snack bar, senior services, special events and golf course/parks maintenance.

Discussion / questions / comments:

- Mr. Menendez requested information about annual concession sales, which Ms. St. John will research and provide.

- Group discussion focused on record-keeping practices for tennis instruction, and a lack of consistent/accurate methods and procedures used to calculate work hours and reconcile compensation.
- Ms. Goldstein requested information about tennis instructors' compensation compared to average compensation paid to instructors. Ms. St. John described her review of other tennis facilities to learn about methods that could be employed to optimize operations, and discovered an absence of practiced ideal operations methodology.
- The review examined the possibility of payment under-calculations as well as over-calculations for tennis lessons.
- Discussion was held about the time-consuming nature of thorough and ongoing examinations of citywide internal controls and the objective of evaluating all divisions and departments to optimize practices, procedures and systems.

STATUS OF RECOMMENDATIONS:

Stating that the Board received the Status of Recommendations report prior to the meeting, Mr. Sanchez asked for their general or specific questions. Ms. St. John advised that every recommendation was in process of being resolved or implemented, and that all recommendations resulting from the Parks and Recreation Functional Review of Operations would be added to the status report. She and Ms. Gomez responded to Board inquiries regarding how external auditors approached an examination of internal controls, particularly referencing errors discovered during the functional review of the Parks and Recreation Department.

QUARTERLY REPORT AS OF MARCH 31, 2014:

Ms. Gomez advised that the quarterly report had been presented to the City Commission. Adjustments to the report as suggested by Ms. Goldstein were made, adding actual revenue from last year as a comparison to actual revenue this year versus using a percentage change from the previous year. The next quarterly report will be presented to the City Commission at its July meeting. When it is issued to the Commission, the Board will receive it via email.

Ms. Gomez reviewed the report in detail, calling attention to significant areas. She pointed out that delinquent property taxes were down compared to this time the previous year.

Mr. Chickillo was welcomed upon his arrival to the meeting, after which the review of income and expenditures resumed.

Ms. Gomez and Mr. Kleiman clarified for Ms. Goldstein how sanitary sewer revenues were affected by the timing of collections. Observing that the budget was running at 8% below 50% at mid-year, Ms. Goldstein asked if Finance foresaw a budget tightening as a result. Ms. Gomez and Mr. Kleiman jointly advised how the budget process proceeded, how expenditure projections were determined, and how trends data was tracked and monitored. Property taxes collected as of March 2014 total \$58 million, slightly higher than collected at the same time last year. At the conclusion of the review, Ms. Gomez invited Board questions or suggestions.

QUARTERLY OVERTIME REPORT OF MARCH 31, 2014:

Mr. Kleiman reviewed the summary of salary and benefits for each City department, explaining areas of increase, decrease, variances and related causes. Discussion ensued about employee payouts calculated against salary accounts in the past. Instead, such payouts are now charged to a non-departmental department. Due to the transition of methodology, Mr. Kleiman will provide information about last year's data compared to data in the current report.

As he continued to review the report, Mr. Kleiman explained reasons for Public Works' higher overtime data, described the effects of Police vacancies on overtime, and credited Police management for containing overtime under staff vacancy circumstances.

DISCUSSION ITEMS:

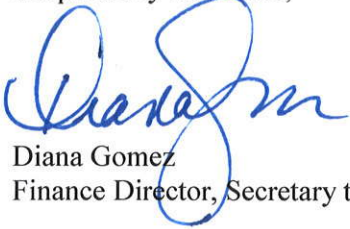
Ms. St. John referenced special projects conducted by Internal Audit during the year, one of which this year is a bi-annual report for the National Park Service regarding the Biltmore Hotel. The report is for a revenue-producing property that the federal government donated to the City. Board members indicated an interest in reviewing the report.

In response to Ms. Goldstein's request for clarification, Ms. Gomez confirmed that staff is working to have the third quarter report ready for the July Board meeting. A budget estimate will be delivered to the Commission on July 1st; thereafter, the Board will receive a copy of the FY2014/2015 budget for review. A budget workshop will be conducted with the Commission on July 23rd, and two budget hearings are scheduled for September 11th and 23rd.

The meeting adjourned at 9:40 a.m.

Next Meeting: Wednesday, July 30, 2014, 8:15 a.m. City Hall First Floor Conference Room.

Respectfully submitted,



Diana Gomez
Finance Director, Secretary to the Board