

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

Minutes of March 12, 2009
Office of the City Manager
405 Biltmore Way, Coral Gables, Florida

Budget Audit Advisory Board Meeting Minutes

MEMBERS:	A	M	J	J	A	S	O	N	D	J	F#	F	M	APPOINTED BY:
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Jorge Villacampa	-	P	-	-	E	P	-	-	E	A	P	P	P	Mayor Donald D. Slesnick, II
Roland Sanchez	-	P	-	-	P	P	-	-	P	P	A	P	P	Vice Mayor William H. Kerdyk, Jr.
Alfredo Balsara	-	E	-	-	E	P	-	-	E	P	A	A	A	Comm. Rafael "Ralph" Cabrera, Jr.
John Lindsey	-	E**	-	-	P	E	-	-	P	P	P	P	P	Comm. Wayne "Chip" Withers
Ofelia Fernandez	-	P	-	-	P	P	-	-	P	P	P	P	P	Comm. Maria Anderson

(Dash indicates either no meeting or board member not yet serving)

Staff:

Maria Alberro-Jimenez, Interim City Manager
Chief Richard J. Naue, Jr., Police Department
Major Joe McNichols, Police Department
Lori St. John, Chief Compliance Officer, Internal Audit Department
Carolina McElroy, Internal Auditor
Michael P. Pounds, Chief Procurement Officer
Danilo Benedit, Procurement Supervisor

* = Special Meeting

^ = New Member

** = Present via Telephone

= Special Meeting

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

PROCEEDINGS:

The meeting was called to order at 8:05 a.m. by Chair John Lindsey.

APPROVAL OF FEBRUARY 12, 2009 MEETING MINUTES:

Mr. Villacampa pointed out Ms. Fernandez' February meeting request for first quarter budget numbers of previous years to compare with the first quarter of this fiscal year. This information will be provided for the next meeting.

Mr. Villacampa made a motion to approve the February 12, 2009 meeting minutes as written. Ms. Fernandez seconded the motion, which passed unanimously.

POLICE OVERTIME:

Referring to a March 9, 2009 memorandum to Interim City Manager Maria Alberro-Jimenez regarding police overtime, Chief Naue reviewed a spreadsheet comparison of his department's overtime expenditures for the first quarter of 2008 versus the same period in 2009. He explained that much of police overtime expenditure was due to extensive Public Works projects and University of Miami events. Several areas of challenge in terms of police coverage included visiting election dignitaries, candidate forums and the visit by the King and Queen of Spain, for which there is no expectation for reimbursement.

Chief Naue reported that the department was undergoing the three-year re-accreditation process, requiring in-depth reviews of nearly 400 files, and necessitating reassignment of a patrol officer and communications person to the accreditation office to assist with compiling data. Major McNichols described the processes of re-accreditation work, the effects of requirements on personnel, leading to police shift changes and additional time. At present, the department is budgeted for 185 sworn officers.

Thursday, March 12, 2009

Continued

Discussion highlighted the following:

- Pending reimbursements from other law enforcement/governmental agencies;
- The relationship between the University of Miami and the CGPD;
- Temporary assigned duties, typically Public Works and the University;
- The expectation of an increase in crime based on current economic climate;
- The effects of long-term mortgage fraud investigations and other fraudulent activities on staffing and overtime;
- The minimum number of officers on each shift;
- The challenge of comp time if there is a shortage of personnel on any shift;
- The national average number of police officers to citizens is two officers per 1,000 citizens; however, Coral Gables has four officers per 1,000 citizens, twice the national average from a budgetary perspective;
- The effects on the City's law enforcement staff of abutting the City of Miami and other areas with higher criminal activity that spills into our jurisdiction;
- The daily population of the City: 80,000, versus approximately 44,000 residents;
- Access to downtown Miami necessitates driving through Coral Gables;
- The results of a Department of Justice census for local agencies, to which Coral Gables responded, will soon be published and forwarded on to the Board;
- The effects of celebrities visiting Coral Gables, such as President Clinton's book signing event at Books & Books; however, Books & Books hires off-duty personnel;
- There are 94 patrol officers and 91 other uniform personnel (marine patrol, bicycle patrol, traffic, motorcycle) consistent with other departments? With the development of downtown, a new division of specialized enforcement was initiated. The only investigative crime not managed by CGPD is homicide.

PRESENTATION OF THE CITY'S P-CARD POLICY:

Ms. Alberro-Jimenez introduced Michael Pounds as the City's Chief Procurement Officer and relayed his background, after which Mr. Pounds introduced Mr. Benedit as Procurement Supervisor and P-Card Administrator.

Mr. Benedit distributed and reviewed the Standard Operating Procedures (SOPs) that guide all employees in the purpose, criteria and use of P-Cards. At present, approximately 50 P-Cards are active, and each department, depending on size, has been issued at least one Card, usable for purchases of up to \$1,000 per transaction with a ceiling of \$15,000 per month per Card. Ms. Alberro-Jimenez pointed out that the objective of the P-Card program, deemed successful, was to expedite purchases, replacing a time-consuming complex system.

Prior to describing specific P-Card oversight details, Mr. Benedit stated that during five years of P-Card use, there have been no illegal purchases or theft. Within a few minutes of a P-Card's use, Mr. Benedit receives an electronic report of the use, and reconciles all purchases on a weekly basis. He cited examples of occasional differences, blanket orders and vendors. Ms. Alberro-Jimenez added that the director of each department is responsible for signing off on each purchase. Mr. Benedit and Mr. Pounds responded to Board questions pertaining to risks, such as spending limits, reimbursement policies and ensuring that purchases are made at the best possible prices.

In response to a Board request, Mr. Benedit will provide detailed information regarding specific uses of the P-Cards, how many are used regularly and what type of items are purchased. A list of prohibited purchases was distributed and reviewed.

PETTY CASH AUDIT:

Ms. McElroy stated the purpose of this annual audit was to review controls and procedures in place over the City's petty cash and imprest funds, and to verify on-hand cash amounts. She described petty cash and imprest fund policies and procedures, the amount of funds maintained in various accounts, and responded to Board questions.

Audit Findings and Recommendations:

Finance Department:

- Finance did not have detailed support for the General Fund Petty Cash account in the amount of \$22,237.53, and

Thursday, March 12, 2009

Continued

should maintain subsidiary ledgers or a control spreadsheet with updated detailed information on petty cash and imprest funds maintained in this account.

- A) Account 460-102-100 (Parking) had a balance of \$100; however, the auditor was advised that this petty cash fund had been returned to Finance. B) Account 420-102-100 (Venetian Pool) had a credit balance of \$200. The fund was increased to \$1,000 in 2005. As Venetian Pool was closed for renovations on the audit date, cash funds were returned to Finance. An adjustment of \$1,000 was entered in the General Ledger, resulting in a credit balance of \$200 that should be adjusted to reflect the correct balance. Finance should ensure that increases, decreases and new petty cash funds are immediately entered into the system, and referenced accounts should be adjusted to reflect correct balances. C) Finance maintains a petty cash receipts file signed by petty cash custodians; however, the file was not current regarding existing custodians or petty cash amounts. Finance should maintain an updated receipts file as noted.

Parks and Recreation:

- A) The Youth Center maintains seven imprest funds, reflecting the number of part-time employees. The Director decided to continue using the same number of cash drawers until new staffing and restructuring occurs at the Center. Parks and Recreation should maintain a reduced number of cash drawers once new staffing and/or restructuring occurs. B) Cash Payment Vouchers did not have a separate line to reflect the amount paid. New vouchers should be issued to include a line for amount paid, and delete the line for the Social Security number of the signing individual. Current vouchers will be used until depleted, and the new format will be used thereafter.

Parking:

- A) Parking Department FILEMAKER software was not interconnected with EDEN. Parking and IT will jointly determine the feasibility of automating the permit management system. B) Three employees have simultaneous access to the cash register. Implementation of a new system will allow for better controls, whereby each employee will be assigned a cash fund and will be accountable for it. Parking should consider segregating duties of the three employees regarding access to imprest funds and cash received. A supervisor should also review and sign off on daily submissions to Finance. C) Imprest fund controls are inconsistent between parking garages and among staff. Enhanced security is necessary to protect City assets. An RFP for a new cashiering contractor for parking garages will be presented to the Commission for approval. New policies and procedures will be developed and issued 60 days within awarding the new contractual services. Two new drop safes will be purchased and installed by April 2009 in Garages 2 and 6 to enhance controls and safeguard monies collected. The Director should follow through with installation of the two new safes and consider acquiring two more drop safes for the other parking garages.

Mr. Sanchez made a motion to approve the audit as presented. Mr. Villacampa seconded the motion, which passed unanimously.

UPDATE ON CONTRACT MANAGEMENT:

Ms. St. John stated that several months ago the Board was informed that the Audit Department also performs non-audit services, and this item is a non-audit service. As a conclusion of her review of all City operations, Ms. St. John discovered the need to centralize contract management and, on March 2, 2009, held a workshop with the directors and contract managers of each City department. At this time, the majority of the City's contracts are in EDEN, which will hold all contract and insurance information, which will be accessible Citywide by directors. Ms. St. John distributed a list of all steps taken for implementation of this effort. She also provided supplemental flowchart information which simulates the contract management and approval queue processes. Additional flowcharts will be developed for services and goods, renewal and piggyback contracts. During the presentation, Ms. Alberro-Jimenez added that only department directors were permitted to sign any contracts and then only with approval by the City Manager. The system, she continued, would help the City control growth. Ms. St. John detailed the benefits of the system to the City.

ADDITIONAL BUSINESS:

Ms. Alberro-Jimenez will advise the Board of the status of the external auditors' final report issuance.

City of Coral Gables Budget Advisory Board Meeting Minutes

Thursday, March 12, 2009

Continued

Regarding 2901 Ponce de Leon Boulevard, a recommendation has not yet been finalized.

On behalf of the Board, Mr. Lindsey thanked Ms. Alberro-Jimenez for her excellent stewardship of the City Manager position, after which Ms. Alberro-Jimenez updated the Board on the status of the new City Manager search.

Next Meeting: April 9, 2009, 8:00 a.m. (subsequently changed to Thursday, May 14, 2009, 8:00 am).

ADJOURNMENT:

The meeting adjourned at 9:30 a.m.

Respectfully submitted,

Maria Alberro-Jimenez
Interim City Manager
Secretary to the Board