CITY OF OPA-LOCKA

"The Great City"

CLERK'S ACTION SUMMARY MINUTES
SPECIAL COMMISSION MEETING
July 9, 2021
5:00 P.M.

1. CALL TO ORDER:

Mayor Pigatt called the meeting to order at 5:12 p.m. on Friday, July 9, 2021 at Sherbondy Village, 215 Perviz Avenue, Opa-locka, Florida.

2. ROLL CALL:

The following members of the City Commission were present: Commissioner Chris Davis, Commissioner John H. Taylor Jr., Vice Mayor Veronica J. Williams and Mayor Matthew A. Pigatt. Also, in attendance were: City Manager John E. Pate, Assistant City Attorney Shirlyon McWhorter and City Clerk Joanna Flores.

3. INVOCATION:

The Invocation was delivered by Vice Mayor Williams.

4. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited in unison.

5. PUBLIC INPUT:
Agenda Item(s) Only

Clerk Flores announced the protocol for public participation at City Commission meetings. The Clerk stated that no one requested to address the Commission virtually but pointed out that there may be members of the public who would like to provide their input in person.

Mayor Pigatt opened the floor for public input.

Dottie Johnson of 13724 NW 22nd Place stated that as a member of the Audit Committee, she has come in front of the Commission at least three different times, asking to hold an Audit Committee meeting. Pointing out that the committee has not met since December 29, 2020 she strongly encouraged the Commission to review Florida Statute 218.319 to see the responsibility of the Audit Committee. Asserting that she does not want to be on a committee for a paper trail, Ms. Johnson expressed her concern that various committees have not met in years and suggested that she may need to follow up with the Governor's office. Reminding the Commission that recommendations and motions can't be made in a joint workshop, she stated that they need to meet and urged them to do the right thing.

There being no additional persons to speak, Mayor Pigatt closed the floor for public input.

Mayor Pigatt addressed Ms. Dottie Johnson's comments, stating that the Commission will be calling for an Audit Committee Workshop at the conclusion of the meeting. The Mayor also said that the meeting wasn't as planned as the Commission would like in terms of the audit process and expressed his hope that they will have more notice about future status updates so that they can plan meetings of the Audit Committee.

6. PRESENTATION BY ANTHONY BRUNSON, P.A.:
City of Opa-locka FY 2018-2019 Audited Financial Statement and Annual Financial Report

Mr. Anthony Brunson PA presented an overview summary of the results of the September 30, 2019 audit. Mr. Brunson explained that the actual audit report is extensive and includes over 110 pages and offered to come back before the Commission to provide more detail. He congratulated the City staff for their herculean efforts that have been made over the past few years, reporting that the audit opinion is unmodified, meaning that it meets all the accounting standards without any exceptions. Recalling that Opa-locka had started with no opinion, and then had a modified opinion for certain items, Mr. Brunson noted that this is what is known in the industry as a clean audit opinion. Throughout his presentation, Mr. Brunson reviewed the statement of net position of the City's governmental activities and proprietary activities, an overview of revenues from governmental activities and proprietary activities, in addition to an overview of operating expenditures from governmental activities and proprietary activities. Mr. Brunson reminded the Commission that four years ago, the City's audit included ninety-nine findings that have been primarily removed because of the progress that has been made, and he informed them that the current audit findings would be in the back of the report under the compliance section, including the progress still to be made on the City's overall internal control environment. He concluded his presentation by offering to answer any specific questions.

Mayor Pigatt opened the floor for any questions or comments from the Commission.

Commissioner Davis thanked Mr. Brunson for his presentation of the audit. He addressed Mr. Brunson's discussion of water collections, which the Commissioner acknowledged has been an ongoing issue in the City; recalling that it was suggested to issue liens against accounts that have gone delinquent, he asked if it was being recommended to record those numbers on the books even though the City hasn't collected it.

Mr. Brunson pointed out that the City's water collections are recorded on the books and the allowance has been provided, and he added that the issuing of liens is an option that is available to Cities, but that the extent of the effort taken on collection, would be the Commission's decision and said he would have to defer to the City Attorney.

Commissioner Davis acknowledged that there are some legal challenges with issuing liens for delinquent water bill collections, recalling it having been discussed in previous meetings with the City Manager. The Commissioner said that he just wanted to understand how the City would deal with an issue such as the collection of water revenues, which he pointed out have declined over the years.

Mayor Pigatt recognized that Mr. Brunson has been on the audit journey with the Commission since the City got into its financial crisis. The Mayor stated that Mr. Brunson has seen the City at one of its most challenging times and expressed his appreciation for the assistance that has been provided as the City moves towards the light. He noted that most of the kudos go to TriMerge Consulting Group and the staff that has been working on the audit over the past four years to have the City make it to where it is today. The Mayor expressed his respect for the work that's been done with the audit. Noting that Commissioner Davis had brought up water collections, the Mayor asked if the nearly 67% increase in revenues from $8.4 million the prior year to $14 million, was based upon the books or if it represented cash in hand that came into the City.

Mr. Brunson explained that the increase in water collection revenues is based upon billings that had not been issued. While he noted that he would defer to Financial Consultant Gerri Lazarre, he said that when the switchover occurred, sources that had not been billed at all or were not billed the proper amount were identified, and the capturing of that data was reflected in the increase in billing activity.

Mayor Pigatt asked Mr. Brunson to clarify whether the increase seen in water collection revenues was just billing and not actual cash collected.

Mr. Brunson confirmed that the increase seen in water collection revenues, represented actual billings and that the actual cash was approximately $10 million, with the allowance being $5 million.

Mayor Pigat noted that the 2018-2019 audit year would reflect the point when the City started to transfer most of its water bills to Miami-Dade County and said that seeing such an increase in the capture of revenues is significant. The Mayor stated that the Commission must tackle making sure that the water bill collections come into the City. Recalling that prior audits had quite a few findings which he said have come together, he then pointed out that this audit doesn't have as many findings. Recognizing that there are still some challenges with bank reconciliations and DERM, he asked Mr. Brunson how the City is doing in terms of addressing those issues.

Mr. Brunson asked the Commission to keep in mind that the audit is for September 30, 2019, but said that with the benefit of time, there has been the opportunity to meet with the authorities and their agencies to reconcile what has been collected, what was not collected, what should have been collected in the past and what's available going forward. He explained that going through all those processes has created an additional source of revenue and allowed them to arrive at a number that they and the City's staff are comfortable with and can opine on. In terms of how DERM is calculated, Mr. Brunson said that a surtax of 8% was being added, but the actual state statute says that it should be a surtax of 6%. Pointing out that the 2% difference in the surtax represented a liability, he assured the Commission that it had been reconciled and recognized in the books.

Mayor Pigatt recognized that because Mr. Brunson is an external auditor, he can look at the City's books and operations through an outsider's perspective. The Mayor asked Mr. Brunson what they, as a young Commission, should focus on over the next year, when it comes to the City's audit and finances, to make sure they are being good stewards of taxpayer's funds.

Mr. Brunson recommended that the Commission look at the reconciliations of account activity, in addition to the due to and due from account activity, which is where balances are showing, as well as looking into payables and the enhancing of the accounting system to better capture the data and do proper cutoffs at the end of the year. He also pointed out that some checks have been outstanding for over a year and suggested that the City look at those in connection with the bank reconciliations, reminding the Commission that the State of Florida has a fund they must go through to clear stale checks. Mr. Brunson asserted that the Commission should stay the course and said that even though there is still work to be done, as they move forward, many of the comments that have been addressed will be removed from future reports.

Mayor Pigatt thanked Mr. Brunson and asked City Manager Pate for clarity on the game plan for completing the City's last outstanding audit.

City Manager Pate stated that he will be meeting with staff next week to draft the appropriate timeline to provide to the City Commission.

Mayor Pigatt asked City Manager Pate if a meeting of the Audit Committee could be called as soon as possible to go over the information and be prepared for the next audit.

City Manager Pate stated that as the Chair of the Commission, when the Mayor directs him to look at dates to call a meeting of the Audit Committee, he will.

Mayor Pigatt asked City Manager Pate to please schedule a meeting of the Audit Committee.

City Manager Pate confirmed that he will schedule a meeting of the Audit Committee.

Mayor Pigatt asked if the Commission had any comments or questions on the City's audits.

Commissioner Davis recalled that in previous years, the Commission had expressed interest in having a comprehensive annual financial report (CAFR) and asked if the 2019 audit has that information.

Mr. Brunson explained that securing CAFR requires ten years of statistical data and would be one of the next steps to work toward as the City continues to evolve, to include it in the audit reports.

Commissioner Davis wondered if it would take five or six years for the City to be in line to include the CAFR in their audit reports.

Mr. Brunson pointed out that the ten years of statistical data is available to be captured and included. He stated that what is being presented is the annual financial report, and that the CAFR would require the historical data.

Mayor Pigatt concluded the presentation of the audit report by thanking Mr. Brunson for his work in the City over the past few months to get the audit completed.

7. RESOLUTIONS:

A. A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, ACCEPTING AND APPROVING THE FY 2018-2019 AUDITED FINANCIAL STATEMENT AND ANNUAL FINANCIAL REPORT; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE. *Sponsored by City Manager*

The above resolution was read by Attorney McWhorter.

Mayor Pigatt asked if there was a motion to discuss Agenda Item 7-A.

It was moved by Commissioner Taylor, seconded by Vice Mayor Williams to discuss Agenda Item 7-A.

There being no discussion, the resolution passed by a 4-0 vote.

Commissioner Davis	Yes
Commissioner Taylor	Yes
Commissioner Burke	Not Present
Vice Mayor Williams	Yes
Mayor Pigatt	Yes

B. A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, EXTENDING AN AGREEMENT WITH TRIMERGE CONSULTING GROUP, P.A., FOR A THREE-MONTH PERIOD; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE. *Sponsored by City Manager*

The above resolution was read by Attorney McWhorter.

Mayor Pigatt asked if there was a motion to discuss Agenda Item 7-B.

It was moved by Vice Mayor Williams, seconded by Commissioner Taylor to discuss Agenda Item 7-B.

Mayor Pigatt asked City Manager Pate to introduce Agenda Item 7-B.

City Manager Pate explained that he is proposing three-month extension to Financial Consultant Gerri Lazarre's contract until the City gets a proper number of responses to the financial services request for proposals, and a final close out date is set. When those findings and the recommendation does come in, Mr. Pate stated that if it is the case, Ms. Lazarre's contract can transition her contract at that point.

Mayor Pigatt asked City Manager Pate what was challenging the City to get proper responses to the financial services request for proposals.

City Manager Pate stated that he has not reported difficulty obtaining responses to the financial services request for proposals and reminded the Commission that the request for proposals period is still open.

Mayor Pigatt stated that having the support staff for the Finance Department in the City has been a challenge and asked for the status on recruiting staffing for the department, and what is being done to attract competitive candidates.

City Manager Pate assured the Commission that there are not any significant staffing issues within the Finance Department other than the senior accountant and possibly one other position that is open. Mr. Pate reported that there are difficulties recruiting individuals to work for the City. He said that the City's pay plan is being looked at holistically to be able to provide a recommendation to the Commission. Additionally, Mr. Pate stated that he doesn't yet know what direction the closure of the financial services request for proposals will take, including his final recommendation to the Commission for the entire Finance Department.

Commissioner Davis recalled that the Commission looked at the salary requirements for the Finance Department and ultimately changed the threshold and asked City Manager Pate if he still thinks that is a challenge.

City Manager Pate explained that salary is always something that is looked at when recruiting and hiring individuals, with salary discrepancies being addressed at the time of recruitment. Mr. Pate assured the Commission that the City no longer has the staffing deficiencies in the Finance Department that existed over the past six or seven months with the mass hiatus of employees; reporting that most of those positions have been filled. He also acknowledged the Finance

Department staff that is there, has been performing herculean tasks based on what has been in front of them, especially being down two audits.

Commissioner Davis stated that if the salary is an issue with recruitment, he suggested that it would be fiscally responsible for the Commission to look at raising salary levels during the upcoming budget process.

City Manager Pate stated that the salary is looked at during the time of recruitment, explaining that they look at the level of skill for the staff that is being brought on, including whether they have CPA licenses or not. Mr. Pate added that he also looks at the recommendations provided by the Interim Finance Director and works with Ms. Lazarre daily.

There being no further discussion, the resolution passed by a 4-0 vote.

Commissioner Taylor	Yes
Commissioner Burke	Not Present
Vice Mayor Williams	Yes
Commissioner Davis	Yes
Mayor Pigatt	Yes

22. ADJOURNMENT:

Mayor Pigatt stated that before the Commission adjourns, while he liked being able to get in and out of a meeting very quickly on a Friday, he wanted to ask that meetings be pushed to at least 5:30 PM if not 6 PM, to give those who are working professionals, time to get to the meeting.

City Manager Pate assured the Commission that he would ask City Clerk Flores to poll the Commission on various time frames for future meetings.

There being no further business to come before the City Commission, it was moved by Commissioner Davis, seconded by Commissioner Tayor to adjourn the meeting at 5:52 p.m.

Matthew A. Pigatt
Mayor

Attest:

Joanna Flores

Joanna Flores, CMC
City Clerk