



## City of Opa-Locka Agenda Cover Memo

<b>Commission Meeting Date:</b>	3/28/12		<b>Item Type:</b> <small>(Enter X in box)</small>	<b>Resolution</b>  X	<b>Ordinance</b>	<b>Other</b>
<b>Fiscal Impact:</b> <small>(Enter X in box)</small>	Yes	No	<b>Ordinance Reading:</b> <small>(Enter X in box)</small>	<b>1<sup>st</sup> Reading</b>		<b>2<sup>nd</sup> Reading</b>
	X		<b>Public Hearing:</b> <small>(Enter X in box)</small>	Yes	No	Yes
				X		X
<b>Funding Source:</b>	<small>(Enter Fund &amp; Dept)</small> 16-512490		<b>Advertising Requirement:</b> <small>(Enter X in box)</small>	<b>Yes</b>		<b>No</b>  X
<b>Contract/P.O. Required:</b> <small>(Enter X in box)</small>	Yes	No	<b>RFP/RFQ/Bid #:</b>	RFQ		
		X				
<b>Strategic Plan Related</b> <small>(Enter X in box)</small>	Yes	No	<b>Strategic Plan Priority Area:</b>	<b>Strategic Plan Obj./Strategy:</b> <small>(list the specific objective/strategy this item will address)</small>		
		X	Enhance Organizational <input type="checkbox"/>			
			Bus. & Economic Dev <input type="checkbox"/>			
			Public Safety <input type="checkbox"/>			
			Quality of Education <input type="checkbox"/>			
			Qual. of Life & City Image <input type="checkbox"/>			
			Communcation <input type="checkbox"/>			
<b>Sponsor Name</b>	City Manager		<b>Department:</b>	City Manager's Office		

### Short Title:

Approval of a Resolution to allow the City Manager to issue a Request for Qualifications (RFQ) for a Forensic Auditor.

### Staff Summary:

Staff recommends that an RFQ be released by the City Manager to retain a forensic auditor for the City's Enterprise Funds. A recent staff analysis, as described in the attached memorandum, details that there are many discrepancies that need to be addressed in order to ensure that the City is properly maintaining such accounts. The selection of which firm to retain will be brought back to the City Commission for approval. Staff estimates the cost to be around \$50,000, which shall be paid by the Water/Sewer Enterprise Fund.

### Proposed Action:

Staff recommends approval.

### Attachment:

None.

Resolution No \_\_\_\_\_

**Section 3.** This resolution shall take effect immediately upon adoption.

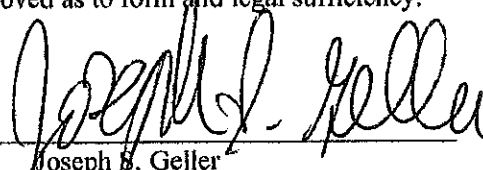
**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
MYRA TAYLOR  
MAYOR

Attest to:

\_\_\_\_\_  
Joanna Flores  
Interim City Clerk

Approved as to form and legal sufficiency:

  
\_\_\_\_\_  
Joseph S. Geller  
City Attorney

Moved by: \_\_\_\_\_  
Seconded by: \_\_\_\_\_  
Commission Vote: \_\_\_\_\_  
Commissioner Holmes: \_\_\_\_\_  
Commissioner Miller: \_\_\_\_\_  
Commissioner Tydus: \_\_\_\_\_  
Vice-Mayor Johnson: \_\_\_\_\_  
Mayor Taylor: \_\_\_\_\_



**Memorandum**

**To:** Mayor Myra L. Taylor  
Vice Mayor Dorothy Johnson  
Commissioner Timothy Holmes  
Commissioner Rose Tydus  
Commissioner Gail Miller

**FROM:** Bryan K. Finnie, City Manager

**DATE:** March 21, 2012

**RE:** Authorization for a Request for Qualifications (RFQ) Forensic Audit of the Utility Billing Accounts

---

**Request:** APPROVAL OF A RESOLUTION TO AUTHORIZE THE CITY MANAGER TO ISSUE AN REQUEST FOR QUALIFICATIONS (RFQ) FOR A FORENSIC AUDIT OF THE UTILITY BILLING ACCOUNTS, IN A FORM ACCEPTABLE TO THE CITY ATTORNEY

**Description:** A recent analysis of a sampling of the Utility Billing Accounts may have identified a disturbing trend of individual entities having several unpaid accounts. While there may be justifiable reasons for this, I recommend a detailed analysis be commissioned to reconcile all of these open issues.

**Account Number:** Account # 16-512490

**Financial Impact:** Approval of this resolution will not have a fiscal impact. The awarding of a forensic auditor will have a negative impact, but should be weighed against the positive impact an audit can bring changing the City's current process. Staff estimates the cost to be around \$50,000, which shall be paid by the Water/Sewer Enterprise Fund.

**Implementation Time Line:** Immediately

**Legislative History:** None

**Recommendation(s):** Staff recommends approval.

**Analysis:** Please review the following samplings of account inconsistencies:

Account # 04236-0 currently has nine active accounts for three properties. In aggregate, this customer owes \$32,104.32 over seven accounts. A more in depth view uncovered that the amounts owed are running balances and are not reflective of recent billing or payments made, i.e. not current.

Account # 02114-2 is listed as owing \$35,221.29 spread over nine accounts. The bulk of the monies owed, \$33,347.85 is listed under one account, 02119-1. This account shows consistent billings and prompt payments until the City billed \$25,650.13 on January 17<sup>th</sup>, then billings of \$3,992.83 on February 16<sup>th</sup> and \$3,491.99 on March 15<sup>th</sup>. Prior to January, the customer's bill had not exceeded over \$1,000 since April of 2009. Such erratic billing amounts are not normal and warrant further investigation.

Account # 00669-3 is listed by Miami-Dade County as a four unit apartment complex within Opa-locka. Specifically, apartment D shows four accounts, with two listed as liens, one closed in 2007 with a zero balance and a fourth account which is active and current. One of the liens may be with a City employee. A further review of the Utility Billing Accounts uncovered at least one other possible City employee who has an outstanding amount due for water/sewer services. A further investigation uncovered that the property does not have an occupational license or landlord tenant license; both are required within the City.

Account # 04612-4 is listed as having five utility accounts with the City, owing \$7,462.41 over three accounts (two show a zero balance). With this customer, staff found that accounts were opened until the amounts owed were high, closed, and then transferred to new accounts where. Specifically, the accounts show the following:

Account # 04613-9 shows as a "No Bill." Owes \$485.82 with no payments made from the opening of the account to the last record entered, 7/31/08 through 1/12/10, respectively.

Account # 04613-8 shows as a Final Account. Shows a balance transfer of \$13,932.37 made to account 04612-4 on 7/31/08. There are no notes in regards to this transaction.

Account # 04612-4 shows as a Final Account. Shows the balance transfer of \$14,079.90 made from 04613-8 on 7/31/08. The account also shows an adjustment made by staff of erasing \$10,916.52 from the account on 9/5/08. There are no descriptive notes for this significant transaction and the line item merely shows a leak at the meter, despite the fact that the bulk of the billing from the account clearly came from account 04613-8 and was billed over the course of time.

Account # 04614-6 shows as a Final Account. Shows a balance transfer of \$4,828.02 made on 7/31/08 with no activity beyond that date.

Account # 04614-7 shows as an Active Account. Shows the balance from account 04614-6 being transferred on 7/31/08 for \$4,968.44. There are notes showing an error in the reading, but no adjustment being made.

In conclusion, Account # 04612-4 and the customer's other four accounts show that a further investigation is warranted as to if there was an error, why a large amount owed, almost \$11,000, was erased by staff and finally why a business with such a large amount of water and sewer billings owed to the City has not been liened or timely collected as is done in other municipalities? The customer also does not show an active business tax receipt but remains open for business as Homestyle Restaurant.

Account # 02978-3 is listed as having 12 accounts with the City, owing \$57,741.91. Staff found that several account were listed as liened and were past due for many months. Account 03046-3, which is at \$10,015.66, is shown in the notes section with a payment plan over 24 months on 3/7/12. Account 03047-2, which is at \$23,018.80, is shown in the notes section with a payment plan over 36 months on 3/7/12. Account 03088-5, which is at \$6,679.40, is shown in the notes section with a payment plan over 24 months on 3/7/12. Account 02980-3, which is at \$14,413.99 and account 02999-7, which is at \$3601.93, are both listed as Lien Pending from early 2010.

**Attachment(s):** None.

**Prepared by:** Jordan W. Leonard, Assistant to the City Manager

**End of Memorandum**