

**The Minutes of the City Audit Advisory Board held
Wednesday, May 28, 2009 at 8:30am**

Call to Order

The meeting of the Audit Advisory Board was called to order by Steve Bowen, Board Vice Chair, at 8:30am. This meeting was held in the Mayor's Conference Room, which is located on the second floor of the City County Building.

Attendance

Present: Don Herz, City Finance Director; Peggy Tharnish, City Controller; Steve Hubka, City Budget Officer; Marcee Brownlee, Assistant City Attorney; Jamie Phillips, Assistant of Don Herz; Board Members: Barbara Arendt, Steve Bowen, Jim Mastera, and Todd Blome.

Absent: Board Members Michael Justus and Chuck Pallesen.

I. Note Open Meetings Law

Steve made note of the Open Meetings Act that is posted on the wall of the conference room.

II. Approval of April 30, 2009 board minutes

Steve asked for a motion to approve the minutes from the April 30th meeting. Jim Mastera moved approval, which was seconded by Barbara Arendt. AYES: Barbara, Steve, Todd, Jim. NAYS: None; ABSENT: Michael, Chuck. Motion carried, 4-0.

III. Final review of the agreed upon procedures engagement for the City's fund balances

Don told the group that he received more detail on the insurance revolving fund from Bill Kostner, the Risk Manager, from the Risk Management Department. Peggy handed out a memo from Risk Management that went over their funds in more detail, along with a breakdown of the insurance revolving fund as of 8/31/07 from the CAFR.

Steve Hubka went into more detail explaining the handouts. Steve Bowen suggested attaching the handouts to their recommendations to the City Council. Todd agreed that the insurance revolving fund handout be attached to the City Council recommendations along with the Community Health Endowment's response memo, in which the group agreed.

IV. Discuss any proposed changes to Section 4.66.100 of the City's Municipal Code

Barbara and Jim suggested looking into changing the board's quorum from four members to three members. Marcee said it can be done, however, they would need to go to the City Council and ask them for the change and explain them how it will help make the decision process easier incase not all members are present at the meeting during the vote. The group discussed the matter, and decided that they should just try to be more available for each meeting, and if they would need, they could schedule more special meetings for rushed matters to be taken care of, like they did previously.

Marcee also suggested adding some verbiage to the memo the group is submitting to the City Council, stating what is attached to the memo, along with what they are commenting on. Steve Bowen asked if she would mind writing up that verbiage for them, which she agreed.

Steve called for a vote to approve the draft memo to the City Council and to attach the HBE Audit Report, the City Memo Response, the Memo from CHE and the Memo from Risk Management, along with the requested verbiage of Marcee from Law. AYES: Barbara, Steve, Todd, Jim. NAYS: None; ABSENT: Michael, Chuck. Motion carried, 4-0.

Don explained that Jamie would scan all the items and save them as a pdf document and send them to the City Council to review. He also said we would send them the final scanned document as well.

V. Discuss the financial audits of the City's Comprehensive Annual Financial Report

Don told the group that they have a Pre-Council meeting scheduled with the City Council to discuss the CAFR. Peggy handed out copies of the CAFR to all of the board members and said that it is also located on the City website for everyone to view.

VI. Adjournment

Board Vice Chair, Steve Bowen, called for adjournment. Jim Mastera moved approval, which was seconded by Todd Blome. AYES: Barbara, Steve, Jim, Todd. NAYS: None; ABSENT: Michael, Chuck. Motion carried, 4-0.

The meeting was adjourned at 9:45am.

Minutes submitted by: Jamie Phillips