

The Minutes of the City Audit Advisory Board held Wednesday, October 12, 2011 at 2pm

Call to Order

The meeting of the Audit Advisory Board was called to order by Todd Blome, Vice Board Chair, at 2pm. This meeting was held in Conference Room 303, which is located on the third floor of the City/County Building.

Attendance

Present: Steve Hubka, City Finance Director; Jamie Phillips, Assistant to Steve Hubka; Peggy Tharnish, City Controller; Marcee Brownlee, Assistant City Attorney; Board Members: Barbara Arendt, Jim Mastera, Gerry Finnegan, Todd Blome and Jason Christenson.

Others Present: Vince Mejer, Purchasing Agent; Fran Mejer, Business Manager of Public Works; Roger Figard, City Engineer; and Thomas Shafter, PW&U Construction Manager/

Absent: Michael Justus, Board Chair.

Note Open Meetings Law

Todd made note of the Open Meetings Act posted on the wall of the conference room.

I. Approval of August 10th, 2011 board minutes.

Todd asked for approval of the August 10th board minutes. Gerry moved approval, which was seconded by Barbara. AYES: Barbara, Todd, Jason, Gerry and Jim. NAYS: None. ABSENT: Michael. Motion carried, 5-0.

II. Update on the StarTran study.

Peggy gave the update on the StarTran study. She stated that they have gotten started on their study and conducted their first on-site visit where they met with staff and local officials. They said the team was granted full access to StarTran records, which is great to see. Their next step is to compile additional information in key areas of analysis before they draw a conclusion. They are making a trip back to Lincoln to do a detail assessment of routes, schedules, maintenance and bill practices. She stated that this information was emailed to Councilmen Carroll on September 30th.

III. Update on the agreed upon procedures engagement regarding the use of impact fees.

Fran gave the group an update and stated that the auditors came out and did three days worth of field work and are now finished working in their office. She supplied them with all the information that was requested. They reviewed scope services, fee calculations, fee expenditures and conducted a short exit interview, in which no issues came up. She was told they will get a draft report to review to make sure it looked correct before it is distributed.

IV. Review proposed agreed upon procedures regarding the accuracy and appropriateness of the activity within Engineering Revolving.

Fran stated that she is working on a draft agreed upon procedures, in which she handed to the group. She said this could be used as a starting point. Peggy also handed out a copy of Resolution A-86478 that was passed from the City Council asking the board to look into this.

Peggy suggested that next thing is to discuss where you want to go from here after receiving the direction from the City Council. She also told them that they have a little less than \$70,000 left in their fund to work with.

After much discussion, Jim moved to approve Fran's draft as the scope of the agreed upon procedures and forward to Vince for the RFP submission, which was seconded by Gerry. AYES: Barbara, Todd, Jason, Gerry and Jim. NAYS: None. ABSENT: Michael. Motion carried, 5-0.

V. Discuss how to proceed with comparing rates that Engineering charges with other cities and private engineering firms.

Todd asked Roger what an RFP look like for this and if he had an idea of what kind of things they would be looking for.

Roger Figard stated that they put out a call for information on the city website stating that the City of Lincoln Engineering Services Division is conducting an assessment of their current organizational structure. He said they listed what they provide and what they are responsible for on the website. They stated that they are interested in hearing from other cities about their Public Works and Utilities engineering organizations and operating structures, advantages and disadvantages, how they are budgeted and any recommendations that they have in this regard. He said they put it out on the web and he was disappointed with the very little response that they got.

However, he said that was the type of information that they are looking for that would work well for an RFP. Such as asking the firm to analyze their structure, what they are responsible for, how they bill out, and compare that information to similar-sized organizations both public and private and come up with some type of conclusion of what is similar, what is different, what works, and what doesn't work.

The group asked if Engineering Services could provide a draft letter similar to the one that Fran provided them so they could review it at the next scheduled meeting. Rodger agreed and said they could provide that.

VI. Set the next Audit Advisory Board meeting

The next board meeting was scheduled for November 9th at 2pm in Conference Room 303.

VII. Adjournment

Todd called for a motion to adjourn. Barbara moved approval, which was seconded by Jason. AYES: Barbara, Todd, Jim, Gerry and Jason. NAYS: None. ABSENT: Michael. Motion carried, 5-0.

The meeting was adjourned at 3:15pm.

Minutes submitted by: Jamie Phillips