



**Council Audit and Finance Committee Special Called Meeting  
Tuesday, May 23, 2012**

**MINUTES**

THE *AUSTIN CITY COUNCIL AUDIT AND FINANCE COMMITTEE* CONVENED ON TUESDAY, MAY 23, 2012 AT 10:00 A.M. IN THE BOARDS AND COMMISSIONS ROOM, FIRST FLOOR, ROOM 1101, CITY HALL, 301 W. 2<sup>nd</sup> STREET.

The meeting was called to order at 10:04 a.m. by Chair Sheryl Cole. In attendance were Council Member Spelman, Council Member Laura Morrison, and Council Member Kathie Tovo.

**Agenda Item #1:** Citizen Communication

*There were no citizens signed up to speak at this meeting.*

**Agenda Item #2:** Approval of the May 01, 2012 minutes

*The minutes of the May 01, 2012 meeting of the Audit & Finance Committee were approved on Council Member Spelman's motion, seconded by council Mayor Pro Tem Cole, with a 4-0 vote.*

**Agenda Item #3:** Presentation of the Fiscal Year 2013 Office of the City Auditor Budget with request for recommendation for inclusion in City Budget when adopted by full Council (City Auditor's Office)

*Ken Mory, City Auditor, presented the Office of the City Auditor's Proposed FY 2013 Budget and requested that the Audit and Finance Committee recommend that it be included in the City Budget when adopted by the full Council.*

*Mayor Pro Tem Cole, and Council Members Morrison, Spelman, and Tovo asked several questions of Mr. Mory and of Ed Van Eenoo, the City's Budget Officer, related to the budget proposal.*

*Council Member Spelman moved that the proposed FY 2013 Budget for the Office of the City Auditor be included in the City Budget when adopted by the full Council. Mayor Pro Tem added direction that the City's Budget Officer provide information on the effect that the request would have on the transfers to the General Fund for the full Council to have when it makes a decision on the City Auditor's request. The motion was approved on a second by Council Member Tovo and a 4-0 vote.*

**Agenda Item #4:** Presentation and acceptance of the Hotel Occupancy Tax Audit (City Auditor's Office)

*Rachel Snell, Assistant City Auditor, presented the results of the audit, which was led by Gus Rodriguez, as the Auditor-in-Charge (AIC) over the project.*

*Council Members asked several questions of Ms. Snell and of Diana Thomas, the City Controller. Council Member Morrison asked that the Controller bring back information from other cities and how they are managing the collection of hotel tax revenues and what their success rate is.*

*The report was accepted by Council Member Morrison's motion, seconded by Council Member Spelman, with a 4-0 vote.*

**Agenda Item #5:** Presentation of the Fiscal Year 2012 Boards and Commissions Risk Assessment (City Auditor's Office)

*Rachel Snell, Assistant City Auditor, presented the results of the audit, which was performed by Kathie Harrison as the AIC over the project.*

*Council Members asked several questions of Ms. Snell and of Shirley Gentry, the City Clerk, related to the Risk Assessment.*

*Because of the manner in which the Agenda Item was posted, Mayor Pro Tem Cole accepted the presentation and asked that the item be reposted for the next meeting. However, after consultation with the Law Department, City Auditor Mory explained to the Committee that because the project was a risk assessment and there were no recommendations made, the Committee did not have to accept the report in order for it to be released.*

**Agenda Item #6:** Presentation of the Quarterly Financial Reports (Financial and Administrative Services Department)

*Ed Van Eenoo, City Budget Officer presented the quarterly financial report for City of Austin's General Fund through the end of the second quarter of Fiscal Year 2012. Anne Little, Sr. Vice President of Finance, presented the quarterly financial report for Austin Energy. David Anders, Assistant Director Business Support Services presented the quarterly financial report for Austin Water Utility. Mr. Van Eenoo explained that the General Fund, Austin Energy, and Austin Water represent 80% of the City's budget and expenditures.*

*Council Members asked several questions of Mr. Van Eenoo, Austin Fire Department Chief of Staff Harry Evans, Ms. Little and Mr. Anders. No action necessary.*

*NOTE: Council Member Tovo explained that she was excusing herself to attend a meeting of the Police Retirement Board scheduled to start at 11:30am.*

**Agenda Item #7:** Presentation of the Water Treatment Plant 4 Quarterly Report (Austin Water Utility)

*Greg Meszaros, Director of Austin Water Utility Department presented a very quick financial update from the Quarterly Water Treatment Plant 4 Report, and responded to questions from Council Members. No action necessary.*

**Agenda Item #8:** Presentation of the City Auditor's Integrity Unit Quarterly Performance Report (City Auditor's Office)

*Jason Hadavi, Assistant City Auditor, presented the status report for the City Auditor's Integrity Unit.*

*Council Members asked several questions of Ms. Hadavi, and asked that he come back with information on the results of the City's workforce survey and how it relates to the reduced number of anonymous allegations.*

*The report was accepted by Council Member Spelman's motion, seconded by Council Member Morrison, with a 3-0 vote. Council Member Tovo was off the dais.*

**Agenda Item #9:** Presentation and acceptance of the Office of the City Auditor Revised Fiscal Year 2012 Strategic Audit Plan (City Auditor's Office)

*This item was postponed until a future meeting.*

*Action Item: Mayor Pro Tem Cole asked the City Auditor work with Assistant City Manager Bert Lumbreras and City Budget Officer Ed Van Eenoo to have finance staff from the other five taxing entities in the area (Central Health District, Travis County, Austin Independent School District, Capital Metro, and Austin Community College) present at the next meeting and have them discuss the impact of any increases in their tax rates on the citizens of Austin.*

*The meeting was adjourned at 12:35 p.m. by Mayor Pro Tem Cole without objection.*