



THE AUSTIN CITY COUNCIL **AUDIT AND FINANCE COMMITTEE** CONVENED IN A REGULAR MEETING ON WEDNESDAY, February 26, 2014 AT 10:07 A.M. IN THE BOARDS & COMMISSIONS ROOM, FIRST FLOOR, ROOM 1101, CITY HALL, 301 W. 2<sup>nd</sup> STREET.

Chair Sheryl Cole called meeting to order at 10:07 a.m. In attendance were Council Member Kathie Tovo and Council Member Bill Spelman. Council Member Laura Morrison was absent.

*Mayor Pro Tem Cole withdrew item numbers 4 and 6 from the agenda at staff's request without objection. Council Member Spelman questioned if the items were being withdrawn or postponed. Mayor Pro Tem Cole said that the items were being postponed with no time certain. Jannette Goodall, City Clerk, and Ken Mory, City Auditor answered questions about when the items might be presented.*

**Agenda Item #1:** Citizen Communication

*Paul Robbins spoke about the Austin Water Utility budget deficit and the finances of the utility.*

**Agenda Item #2:** Approval of February 5, 2013 minutes

*The minutes of the February 5, 2013 were approved on the motion from Council Member Spelman, seconded by Mayor Pro Tem Cole, with a 3-0 vote.*

**Agenda Item #3:** Presentation of the Windows Active Directory Security Follow-Up Audit which evaluated the implementation of recommendations from the Windows Active Directory Security Audit issued September 2012 (Office of the City Auditor)

*Walt Persons, Assistant City Auditor, presented the results of the audit, which was led by Kathie Harrison. Persons, Mory, and Teri Pennington, Deputy Chief Information Officer, answered questions from Council Members. Council requested action from Pennington, who will get information to them in one week regarding a timeline for action. The audit was accepted on a motion by Council Member Spelman, seconded by Mayor Pro Tem Cole, with a 3-0 vote.*

**Agenda Item #5:** Presentation of the Homeland Security Funding Optimization Audit which evaluated whether the City is optimizing grant funding related to homeland security purposes (Office of the City Auditor)

*Corrie Stokes, Deputy City Auditor, presented the results of the audit managed by Hector Gonzales, Assistant City Auditor, and led by Robert Elizondo. Stokes, Otis Latin, Director of Homeland Security and Emergency Management, and Aoife Longmore, Grants Program Manager, answered questions from Council Members. The audit was accepted on a motion by Council Member Tovo, seconded by Mayor Pro Tem Cole, with a 3-0 vote.*

**Agenda Item #7:** Presentation of the Annual Pension Update which summarizes Calendar Year 2013 investment returns for the City's three pension system – Employees'

Retirement System, Police Retirement System, and the Firefighters Relief & retirement Fund (Financial Services Department)

***Art Alfaro, Treasurer, presented the pension update. Elaine Hart, Chief Financial Officer, and Alfaro answered questions from Council Members. No action was taken.***

**Agenda Item #8:** Presentation to summarize discussion on tax rate analysis and strategic use of public funds at the January 31, 2014 Joint Subcommittees' Meeting of the Austin City Council, Austin Independent School District Board of Trustees, and Travis County Commissioners Court (Financial Services Department)

***Ed Van Eenoo, Deputy Chief Financial Officer, presented the tax rate analysis. Hart and Van Eenoo answered questions from Council Members. No action was taken.***

**Adjourn – Mayor Pro Tem Cole adjourned the meeting without objections at 11:41 p.m.**