

AUDIT AND FINANCE COMMITTEE MEETING MINUTES - WEDNESDAY, March 26, 2014



THE AUSTIN CITY COUNCIL **AUDIT AND FINANCE COMMITTEE** CONVENED IN A REGULAR MEETING ON WEDNESDAY, March 26, 2014 AT 10:05 A.M. IN THE BOARDS & COMMISSIONS ROOM, FIRST FLOOR, ROOM 1101, CITY HALL, 301 W. 2nd STREET.

Chair Sheryl Cole called meeting to order at 10:05 a.m. In attendance were Council Member Kathie Tovo and Council Member Laura Morrison. While not a member of the Committee, Council Member Riley was also present.

Agenda Item #1: Citizen Communication

Carol Guthrie of American Federation of State, County, and Municipal Employees spoke during Agenda

Item #4.

Agenda Item #2: Approval of February 26, 2014 minutes

The minutes of the February 26, 2013 meeting were approved on the motion from Council Member Morrison, seconded by Mayor Pro Tem Cole, with a 3-0 vote. Council Member Spelman was off the dais.

Agenda Item #4: Presentation regarding the reappointment of Municipal Civil Service Commissioners and Chair (Office of the City Clerk)

Jannette Goodall, City Clerk, presented on the reappointment on the Municipal Civil Service Commissioners and Chair. Goodall and Karen Sharp, Assistant Director of the Human Resources Department, answered questions from the Council Members. A motion from Council Member Morrison proposed a resolution recommending that City Council reappoint Commissioner Pamela Lancaster and direct the Municipal Service Commission to consider and recommend a Chair. This motion was seconded by Mayor Pro Tem Cole and accepted with a 3-0 vote. Council Member Spelman was off the dais.

Carol Guthrie spoke against delaying the Civil Service Rules as proposed by Mark Washington, HRD Director. Guthrie also provided her opinions on the reappointment of the Commissioners and Chair. The Council Members requested Washington send a memo to Council regarding postponing the rules for Civil Service Commission.

Agenda Item #5: Presentation regarding amending the City of Austin, Texas Financial Policies to revise General Fund Financial Policies #3 which is a policy regarding amendments to the City's adopted budget. (Financial Services Department)

Ed Van Eenoo, Deputy Chief Financial Officer, and Elaine Hart, Chief Financial Officer, presented the policy regarding amendments to the City's budget. Van Eenoo and Hart answered questions from the Council Members. A motion from Council Member Morrison directed Van Eenoo to change amendment wording related to errors and omissions, add language related to budget items that are

part of the approved budget, change items related to contract negotiation, add language related to use of reserves, explain that the policy should only relate to the general fund, and bring the proposed changes to Council. The motion was seconded by Mayor Pro Tem Cole and accepted with a 3-0 vote Council Member Spelman was off the dais.

Agenda Item #3: Presentation of the Contract Development and Approval Process Audit which determined if the process for developing and approving City contracts adequately protects the City of Austin's assets, rights, and interest (Office of the City Auditor)

Council Member Spelman joined the meeting during this item.

Niki Raggi, Assistant City Auditor, presented the results of the audit, which was led by Andrew Keegan. Raggi, Karen Kennard, City Attorney, Ken Mory, City Auditor, Deborah Thomas, Law Division Chief, Tonya Brown, Law Division Chief, and Denise Lucas, Deputy Purchasing Officer, answered questions from the Council Members. The audit was accepted on a motion by Council Member Morrison, seconded by Mayor Pro Tem Cole, with a 4-0 vote. The Council Members directed the Law Department to work with the Purchasing Office, Economic Development Department, Contract Management Department, Neighborhood Housing and Community Development, and other departments that develop contracts to create a list of high-risk clauses that should not be deviated from without legal review. The Law Department was further directed to work with contracting departments to ensure that all deviations from those high-risk clauses are reviewed prior to the execution of the contract and this review should be documented and include a reason for the deviation. The Law Department was asked to provide evidence that this evidence was being implemented through a memo to the Audit and Finance Committee within 60 days.

Agenda Item #6: Quarterly status report on Water Treatment Plant 4 (Austin Water Utility Department)

This item was postponed without objection by Mayor Pro Tem Cole.

Adjourn – Mayor Pro Tem Cole adjourned the meeting without objections at 12:08 p.m.