

AUDIT AND FINANCE COMMITTEE MEETING MINUTES – WEDNESDAY, AUGUST 26, 2015



THE AUSTIN CITY COUNCIL **AUDIT AND FINANCE COMMITTEE** CONVENED IN A REGULAR MEETING ON WEDNESDAY, AUGUST 26, 2015 AT 9:13 AM, AUSTIN CITY HALL, 301 W. 2nd STREET, AUSTIN, TEXAS.

Mayor Pro Tem Kathie Tovo called meeting to order at 9:13 AM. In attendance were Council Member Sabino Renteria and Council Member Leslie Pool. Council Member Ellen Troxclair arrived at 10:08 AM.

Agenda Item #1: Approve the minutes of the Audit and Finance Committee meeting of June 24, 2015

The minutes of the Audit and Finance Committee meetings of June 24, 2015 meeting were approved on Council Member Pool's motion, Council Member Renteria's second, on a 3-0 vote. Council Member Ellen Troxclair off the dais.

Agenda Item #2: A maximum of five speakers signed up before the meeting is called to order will each be allowed three minutes to address topics not posted for committee action

Citizen Communication: David King spoke regarding demolition permit process in his neighborhood and plan unit ordinance.

Agenda Item #3: Austin Police Department Evidence Section Follow-Up Audit, which followed up on two prior audits involving the Austin Police Department Evidence Section (City Auditor)

Assistant City Auditor Niki Raggi presented the results of the Austin Police Department Evidence Follow-Up Audit. The audit was accepted, 3-0, with a motion from Council Member Renteria, seconded by Council Member Pool. Council Member Troxclair off the dais.

Agenda Item #4: Proposed amendments to the City's financial policies (Financial Services)

Deputy Chief Financial Officer Ed Van Eenoo along with Carla Steffen, Asst. Director over Finance for the Austin Convention Center, and Kim Springer, Deputy Budget Officer, seeking recommendation of the City's Financial Policies to full council for approval. The City Financial Policies were approved on Council Member Pool's motion, Mayor Pro Tem Tovo's second, on a 3-0 vote. Council Member Troxclair off the dais.

Agenda Item #5: Office of the City Auditor Fiscal Year 2016 Draft Strategic Audit Plan, which identified projects the City Auditor intends to conduct for the fiscal year, along with the rationale and required resources. Presentation will include results of input for the Plan from various stakeholders. (City Auditor)

City Auditor Corrie Stokes presented the Fiscal Year 2016 Draft Strategic Audit Plan. Committee asked to solicit and incorporate input from Council and bring back the item during the next AFC meeting. No action taken.

Agenda Item #6: The process for requests from the Council for special projects from the Office of the City Auditor (Committee)

City Auditor Corrie Stokes presented information regarding the process from the Council for special projects from the Office of the City Auditor. Committee asked to collect information regarding the special request practices and bring the recommendation back to the Committee next month. No action taken.

Agenda Item #7: Recommendation regarding execution of a lease agreement with Highstar Capital IV, L.P. for up to 30 acres of land at Austin-Bergstrom International Airport to improve, operate, and maintain a limited services airport terminal for a 30-year term with two five-year extensions [referred from Council at the 8/13/15 meeting] (Committee)

Jim Smith, Aviation Director, discussed lease agreement with High Star Capital IV, L.P. David Kin, Keith Hansen, Chuck Allen, and Michelle Baden spoke regarding their concerns/support about the item. Council Member Troxclair joined the dais at 10:08 a.m. The motion passes unanimously 4-0 vote.

Agenda Item #8: Develop recommendations relating to an ordinance authorizing negotiation and execution of an amended water cost reimbursement agreement with CLUB DEAL 120 WHISPER VALLEY, L.P., AND CLUD DEAL 116 INDIAN HILLS TX, L.P., for the design and construction of water mains in an amount not to exceed \$21,200,000. This ordinance would supersede ordinances 20100527-006, 20100826-004, 20130117-015, and 20140807-013 (Committee)

Bart Jennings, manager at the Austin Water, presented information regarding the Whisper Valley and the Indian Hills Public Improvement District. Citizens Douglas Gilliland and Steve Metcalfe spoke regarding their concerns about the project. Council Member Houston joined the dais to share her thoughts. Council Member Pool and Council Member Renteria voted in favor for the item. Council Member Troxclair and Mayor Pro Tem Tovo abstained from the vote.

Agenda Item #9: Water Loss Management Audit, which evaluated Austin Water's efforts to mitigate and report water loss (City Auditor)

Assistant City Auditor Katie Houston presented the results of the Water Loss Management Audit. The report was accepted on Council Member Pool's motion, Mayor Pro Tem Tovo's second, on a 3-0 vote with Council Member Renteria off the dais.

Agenda Item #10: Discussion of draft resolution regarding lobbyist reform (Committee)

Several citizens spoke regarding this item. Additionally, members from the Ethics Review Commission, Donna Beth McCormick and Matt Lamon, stated that they did not believe the ERC would be able to fully review the proposed resolution before October, and requested that the ERC be granted two or three months to review and provide comment on the item. Committee discussed several changes: making the City Clerk a lead department, not the City Auditor, add "in coordination with the Ethics Commission and other stakeholders," and increase coordination period to 60 days, increase the time for the City Manager to analyze alternative approaches and report back to 90 days. The resolution passed with Mayor Pro Tem and Council Members Pool and Renteria for the resolution, none against, and Council Member Troxclair abstaining.

Agenda Item #11: Discussion of future agenda items.

No discussion.

Adjourn – Mayor Pro Tem Tovo adjourned the meeting without objections at 12:45 PM.

The minutes were approved on the 23 day of September 2015 on Council Member Pool's motion, with a correction in item 10 to say "Council Members Pool and Renteria," Council Member Renteria's second on a 3-0 vote with Mayor Pro Tem Tovo off the dais.