The Minutes of the City Audit Advisory Board held
Wednesday, April 20, 2011 at 1:30pm

Call to Order

The meeting of the Audit Advisory Board was called to order by Michael Justus, Board Chair, at 1:30pm. This meeting was held in Conference Room 303, which is located on the third floor of the City/County Building.

Attendance

Present: Don Herz, City Finance Director; Jamie Phillips, Assistant to Don Herz; Peggy Tharnish, City Controller; Marcee Brownlee, Assistant City Attorney; Board Members: Michael Justus, Barbara Arendt, Jim Mastera, Gerry Finnegan, Jason Christenson.

Others Present: Vince Mejer, Purchasing Agent; Bob Walla, Assistant Purchasing Agent; Fran Mejer, Business Manager of Public Works; and Michaela Dugan, Assistant Business Manager for Impact Fees.

Absent: Board member, Todd Blome.

Note Open Meetings Law

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

I. Approval of April 6th, 2011 Board Minutes

Michael asked for a motion to approve the minutes from the April 6th meeting. Barbara moved approval, which was seconded by Gerry. AYES: Barbara, Gerry, Jim, Michael, and Jason. NAYS: None. ABSENT: Todd; Motion carried, 5-0.

II. Briefing by Public Works Staff on Impact Fees

The Audit Board asked Public Works staff to give a brief overview on impact fees, such as legislative history and to review their accounting and internal controls and to help answer any questions that the board may have.

A. Review legislative history

B. Review accounting and internal controls

Fran Mejer introduced herself as the Business Manager for the Public Works Department and Michaela Dugan introduced herself as the Assistant Business Manager for the Public Works Department. Fran handed out Chapter 27.82 on Impact Fees and stated that Public Works is responsible for all accounts related to impact fees. A ordinance was placed into effect in 2003 stating that they collect all impact fees from Building & Safety. She said at that time, they hired someone to handle the assessment part of it, which was Michaela. She explained that Building & Safety collects and deposits the impact fee and Michaela reviews it and carefully assigns it into the right place because impact fees can only be spent in certain districts.

Michaela gave a handout titled “Impact Fees: 101” with gave a brief overview of the fees. She said it is basically a one-time fee that is paid up front, that is based upon a pre-set formula. She said there are five impact fee categories, in which she showed a handout with a map showing all the different districts and also showed a fee schedule.

She said the fee schedule hasn't changed since January of 2007. She explained that their software actually calculates the fee. Fran stated that her office randomly selected applications to verify that the impact fees are the correct amount and going to the correct fund. Discussion continued as both Michaela and Fran helped answered further questions of the staff.

Peggy Tharnish handed out a five year history of Engineering Services for the balance sheet and the statement of revenues, expenditures, and changes in fund balances as Michael had requested to review.

III. <u>Continued discussion regarding the draft RFP for an operational review of the City's bus system (StarTran)</u>

The group discussed the letter that they sent out to the StarTran Advisory Board which requested information to help them conduct their assessment of StarTran's service delivery model and efficiency. This letter was send on April 7th, and asking them to respond by April 19th.

On April 12th, Mitch Paine, who is a member of the StarTran Advisory Board, emailed the Audit Advisory Board requesting that they extend their date to May 3rd. Marcee suggested that the group take a vote on this request, in which discussion followed. Everyone in the group felt they had already given them enough time. Therefore, Michael asked for a motion to decline the request for additional time. Barbara moved for approval, which was seconded by Jim. AYES: Barbara, Gerry, Jim, Michael, and Jason. AYES: None; ABSENT: Todd. Motion carried, 5-0.

The board then discussed the letter received by Kim Phelps, Chairperson of the StarTran Advisory Board, which was received on April 18th, which gave the StarTran Advisory Boards input related to the StarTran assessment RFP.

Next the board continued their discussion on the StarTran RFP. Draft copies of the RFP were handed out and reviewed once more. The group went over each line item and gave their comments and added their changes. Several changes and additions were made throughout the RFP. They asked Jamie to make those changes to the draft and email the group the final copy to review before sending it to Purchasing to release for bid. Michael suggested taking a vote on the RFP to approve it as amended. Gerry moved approval, which was seconded by Barbara. AYES: Barbara, Gerry, Jim, Michael, and Jason. AYES: None; ABSENT: Todd. Motion carried, 5-0.

IV. <u>Set the next Audit Advisory Board meeting</u>

It was suggested that the next board meeting be scheduled for May 18th at 2pm, in which the group agreed.

V. <u>Adjournment</u>

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

The meeting was adjourned at 3:07pm.

Minutes submitted by: Jamie Phillips