# The Minutes of the City Audit Advisory Board held
# Wednesday, August 13, 2008 at 2pm

**Call to Order**

The meeting of the Audit Advisory Board was called to order by Michael Justus, Board Chair, at 2pm. This meeting was held in the Mayor's Conference Room, which is located in the City County Building.

**Attendance**

Present: Don Herz, Finance Director; Peggy Tharnish, City Controller; Connor Reuter, Assistant City Attorney; Jamie Phillips, Don Herz Assistant; Board Members: Barbara Arendt, Todd Blome, Steve Bowen, Michael Justus, Chuck Pallesen.

Absent: Board Members: Jim Mastera.

**I. Note Open Meetings Law**

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

**II. Approval of August 7, 2008 board minutes**

Michael Justus stated that the minutes weren't finished yet, so they would approve them at the next scheduled meeting.

**III. Update on the rating criteria**

Don stated that Scott Keene with Ameritas, the City Financial Advisor, had a conflict with today's meeting and couldn't attend; however, he will come to another meeting if they would like him to. Don also told the group that Lauren Wismer with Gilmore & Bell is the City Bond Counsel, and he would be available to answer any questions the group would have, which would probably pertain to more of the legal side of questions.

Don said that he put together a quick slide show regarding Standard & Poor's Rating Agency and their process of how they assign the Triple AAA rating, which he then showed the group. The slides went over the following key factors: how they assign the Triple AAA bond rating; how they assign the Tripe AAA Qualitative Data; and how they assign the Triple AAA Quantitative Data. Don went into further details on this matter and also explained their current policies.

**IV. Continue discussion and formulation of work to be performed in response to the City Council resolution**

Mike then asked Don if he would like to show the group his list of suggestions that he came up with for the agreed upon procedures engagement. Don went thru his list and discussion followed. The group then made suggestions and changes to Don's list. Connor suggested that they make the list as detailed as possible, so it will help Vince in Purchasing when it comes time for him to do the bid. Don said that he would do that and give a new updated copy to the group before the next meeting.

Mike then told the group that he, Don, and Peggy all came up with separate sample spreadsheets of a Fund Balance Analysis for the group to look at and choose which layout they liked best. They all agreed that they liked Peggy's spreadsheet the best, which went back 3 prior years (2004/2005, 2005/2006 and 2006/2007). However, the group decided that they would like to see her sheet show all 54 fund balances. It was decided that Peggy update the Fund Balance Analysis with more detail, and show the group at the next meeting. The group suggested at the next meeting that they look at the new Analysis, review the detailed Agreed upon procedures engagement, take a vote on their scope, and set a time frame of what their deadline is.

## V. Adjournment

Board Chair, Michael Justus, called for adjournment. Todd Blome moved approval, which was seconded by Barbara Arendt. The meeting was adjourned at 4:15pm.

Minutes submitted by: Jamie Phillips