



**Council Audit and Finance Committee Meeting
Wednesday, September 26, 2012**

MINUTES

THE *AUSTIN CITY COUNCIL AUDIT AND FINANCE COMMITTEE* CONVENED ON WEDNESDAY, SEPTEMBER 26, 2012 AT 10:15 A.M. IN THE BOARDS AND COMMISSIONS ROOM, FIRST FLOOR, ROOM 1101, CITY HALL, 301 W. 2nd STREET.

The meeting was called to order at 10:15 a.m. by Chair Sheryl Cole. In attendance were Council Member Laura Morrison and Council Member Bill Spelman. Council Member Kathie Tovo was absent.

Agenda Item #1: Citizen Communication

There were no citizens signed up to speak at this meeting.

Agenda Item #2: Approval of the August 29, 2012 minutes

The minutes of the August 29, 2012 meeting of the Audit & Finance Committee were approved on Council Member Morrison's motion, seconded by Council Member Spelman, with a 3-0 vote. Council Member Kathie Tovo was absent.

Agenda Item #3: Executive Session (No public discussion on this item)

Security Audits – Government Code §551.076

a. Discussion of the Windows Active Directory Security Audit

At approximately 10:16am, Mayor Pro Tem Cole called for an executive session to hear a presentation on a security audit pursuant to §551.076 of the Government Code. There were no objections.

In executive session, Rachel Snell, Assistant City Auditor, presented the results of the audit, which was led by Neha Sharma, the Auditor-In-Charge (AIC) over the project.

The Audit & Finance Committee members came out of executive session at approximately 10:35am. Mayor Pro Tem Cole stated that no action was taken in executive session and reconvened in regular session.

Agenda Item #4: Acceptance of the Windows Active Directory Security Audit (City Auditor's Office)

The report was accepted on Council Member Spelman's motion, which was seconded by Council Member Morrison, on a 3-0 vote. Council Member Kathie Tovo was absent.

Agenda Item #5: Presentation and acceptance of the Affordable Housing Grant Funding Audit (City Auditor's Office)

Niki Raggi, Assistant City Auditor, presented the results of the audit, which was led by Rebecca Takahashi, AIC over the project.

Council Members had several questions for Betsy Spencer, the director of the Neighborhood Housing and Community Development Department.

The report was accepted on Council Member Morrison's motion, which was seconded by Council Member Spelman, and a 3-0 vote. Council Member Kathie Tovo was absent.

Agenda Item #6: Presentation and approval of the Fiscal Year 2013 Strategic Audit Plan (City Auditor's Office)

Ken Mory, City Auditor, presented the Plan and asked the committee members for acceptance.

Mayor Pro Tem Cole had several comments, and asked that an audit of the parkland dedication process be considered. Council Member Morrison also recommended several possible changes to the Plan.

Council Member Spelman, then moved to amend to accept the plan as presented, but added an amendment calling for the City Auditor to meet with management and professional staff and define what an audit of the parkland dedication process would entail, and then add it to either the Priority Replacement or Horizon audits list. The motion as amended was seconded by Council Member Morrison, and passed with a 3-0 vote. Council Member Kathie Tovo was absent.

Agenda Item #7: Presentation and acceptance of the City's Investment Policy (Financial Services Department)

Art Alfaro, City Treasurer, and Belinda Erwin, Deputy Treasurer, presented proposed changes to the City's Investment Policy.

The changes were accepted on Council Member Spelman's motion, which was seconded by Council Member Morrison, and a 3-0 vote. Council Member Kathie Tovo was absent.

Agenda Item #8: Discussion and possible action regarding Austin Water Utility Financial Policy Changes (Austin Water Utility & Financial Service Department)

Greg Meszaros, Director of the Austin Water Utility, and David Anders, Assistant Director, presented proposed changes to the Austin Water Utility's financial policies.

Council Members asked several questions of Mr. Meszaros and Mr. Anders, including how the proposed changes will be codified.

No action was taken, however Mayor Pro Tem Cole asked Mr. Meszaros to come back to a future meeting of the committee once the proposed changes are further defined.

Agenda Item #9: Presentation of the Quarterly Water Treatment Plant 4 Report (Austin Water Utility Department)

Greg Meszaros, Director of the Austin Water Utility, and Bill Stauber, AWU Engineer, presented a status report on the construction of Water Treatment Plant 4.

Council Members had several questions for Mr. Meszaros related to the finances and construction contracts.

No action was taken on this item.

Agenda Item #10: Presentation of a report per Resolution No. 20120823-068 regarding operations, maintenance, and management of City Cemeteries (Parks and Recreation Department)

Sara Hensley, Director, and Cora Wright, Assistant Director of the Parks and Recreation Department, presented the results of study done in response to the Council Resolution.

Council Members had several questions for Ms. Wright and Ms. Hensley.

The changes were accepted on Council Member Spelman's motion, which was seconded by Council Member Morrison, and a 3-0 vote. Council Member Kathie Tovo was absent.

No action was taken on this item.

The meeting was adjourned at 12:26 p.m. by Mayor Pro Tem Cole without objection.