

## Audit Committee Meeting Minutes

Thursday, August 20, 2020

10:00 a.m. Teleconference via Microsoft Teams and Pikes Peak Conference Room

### Open Session

Members present via Microsoft Teams were Council member Tom Strand and Welensky Nathan. Committee members Brian McAllister and Dave Wood were present in person. Also present were Interim City Auditor Jacqueline Rowland. Linette Crouch was present to take the minutes and Linda Helsley was present to run Teams. Council Member Andy Pico joined the meeting electronically at 10:22 a.m.

Others attending the meeting via Teams included Steve Sauer and Chris Telli from BKD, Greg Anderson, Sandra Snee, Dale Rickard, Sally Barber from OCA office, Kathleen Solano, Adam Hegstrom, Ellen Stamm from Utilities, Tracy Peters, Kerry George from City, and Greg Phillips from Airport. Charae McDaniel, City CFO joined the meeting at 10:55 a.m.

Tom Strand called the meeting to order at 10:03 a.m. Minutes of the June 18, 2020 meeting were approved.

Chris Telli and Steve Sauer of BKD presented the 2019 external audit of City financial results, highlighting areas of importance. The 2019 audited financial statements included a clean opinion. Sauer explained the one correcting entry noted in the presentation resulted from a miscommunication between Finance and Public Works regarding the Sand Creek stabilization FEMA project. \$5.5 million of this project should have been moved from construction in process to depreciable capital assets. Strand requested to know what is included in nonspendable funds on page 5. Sauer and Peters explained it is mostly inventory and endowments. Telli explained it was a very clean audit. Telli and Sauer left the meeting at 10:55 a.m.

Rowland presented the Office of City Auditor budget through July 2020. McAllister had questions regarding the training budget. Rowland explained that due to budget cuts, auditors are utilizing less expensive trainings but will still meet the required 40 hours each of CPE for 2020.

Rowland requested that committee members review the Audit Committee charter for possible updates and be prepared to discuss at the September meeting.

Rowland presented published report 20-21 Colorado Springs Utilities Electric Cost Adjustment and Gas Cost Adjustment.

Rowland read the statement to go into closed session. In accord with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Act, C.R.S. § 24-6-402(4)(d) and (g), the City Council Audit Committee, in Open Session, is to determine whether it will hold a Closed Executive Session. The issues to be discussed involve: Consideration of documents protected by the "Open Records Act".

The Chair shall poll the Audit Committee members, and, upon consent of two-thirds of the members present, may hold a Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

Unanimous – move to closed session at 11:03 a.m.

### Closed Session

Colorado Springs Utilities

- Follow up to 20-19 Personally Identifiable Information
- Water and Wastewater Development Fee Review

City of Colorado Springs

- Sworn Staffing System Review

Colorado Springs Airport

- 20-22 On-site Rental Car Concessionaire Compliance

Strand returned the committee to open session at 11:43 a.m. and adjourned the meeting.