



City of Urbandale  
Audit Committee of the City Council  
July 31, 2013

**Audit Committee Members**

- ✓ Robert Andeweg, Mayor
- ✓ Ron Pogge, Council Member
- ✓ Michael Carver, Council Member
- ✓ Donald J. Brush, Public Member / City Treasurer

**Meeting Summary and Action Taken**

The Audit Committee of the Urbandale City Council met on Wednesday, July 31, 2013, in the large conference room adjacent the Council Chambers at the Urbandale City Administrative Offices, 3600 86<sup>th</sup> Street, Urbandale, Iowa. Audit Committee Members in attendance were Mayor Robert Andeweg, Council Members Ron Pogge and Mike Carver, and Public Member Donald J. Brush. Also in attendance was Nicole Lamb, Finance Director for the City of Urbandale and A. J. Johnson, City Manager. The meeting was called to order at 7:59 AM by Chairperson Brush.

The agenda for the meeting was accepted and unanimously approved on a motion from Andeweg and seconded by Carver.

The minutes of the Audit Committee meeting of May 2, 2013 were reviewed and approved by the Committee on a motion made by Andeweg and seconded by Carver.

First items on the agenda consisted of a continuation from the previous meeting on May 2, 2013, of the review of certain policies by the Committee, with Nicci Lamb providing the presentation and supporting documentation on the following individual policy items.

**I – Surplus Asset Disposal Policy**

This is a new policy that has being proposed for considered and adoption by the City that would provide the standards and procedures for disposing of surplus and no longer needed City owned property, in addition to the property seized, confiscated, or found by the Police Department. Previously all such property was normally disposed of at the Police Department’s semi-annual public auction held in April and October of each year. Many of the Metro Communities with the exception of Des Moines have adopted similar polices.

The proposed policy outlines the various methods and responsibilities of disposing of such property in addition to the appropriate and required procedures to be followed. The Committee discussed the various types of methods that would be available under the

policy including the transfer of unused or surplus property between departments, trade-in of property, auctions, and the use of internet auction site services. The primary benefit of the policy would provide additional alternatives of the disposal of such assets in addition to the resulting overall efficiencies in handling such transactions.

The Committee was also provided with some additional information on the use of internet auction services with specific reference made to the service provided by GovDeals, Inc. The use of such services would include the service provider handling the financial collection and settlement on the sale of such transactions. A proposed service agreement with GovDeals was provided to the Committee for their review.

Following the review and discussion on the proposed policy, there were a few specific clarification and revisions suggested to the policy by Committee members for which Committee Member Pogge agreed to make to the policy document. Based on these revisions to be made to the policy presented, a motion was made by Pogge and seconded by Andeweg and approved by the Committee to recommend to the Council the adoption of the Surplus Asset Disposal Policy and to enter into an agreement with GovDeals, Inc. as the designated internet auction provider for those City owned assets considered appropriately for such type of disposal. The motion was unanimously approved.

## **II –Fiscal Performance Goal Policy**

Each of the Committee Members were provided with a copy of the City's current Policy on Fiscal Performance Goals and current financial data and projections in support of the policy. This policy had been discussed to some extent at the last meeting of the Audit Committee on May 2, 2013 but any revisions or changes to the policy at that time were deferred until the conclusion of the Iowa State Legislature on any possible action they might have taken that would have impact on the City's fiscal standards and goals.

In addition, the City Administrative Personnel recently had a meeting with and a review by the analyses at Moody's Investor Services in conjunction with the City's upcoming general obligation bonds sale scheduled for August 6, 2013. This meeting and review by Moody's provide some guidance as to the expected fiscal standards and goals that would be expected in maintaining our currently Moody's bond rating of "Aa1".

Following discussion and review of each of the sections of the Policy on Fiscal Performance Goals, and with consideration to the comments and recommendations provided Moody's, and with the limited availability at this time of certain assessed valuation information, the Committee agreed that the general fund reserve balance as a percentage of the budgeted operating expenditures of the City be increased from eighteen percent (18%) to twenty-five percent (25%). The Committee suggested that the annual long-term debt service percentage of forty percent (40%) of property tax revenues would exclude TIF revenues in the respective area.

Based upon these suggested and the agreed upon revisions to the policy, the motion was made by Andeweg and seconded by Carver to submit and recommend to the Council the updated revisions to the Fiscal Performance Goal Policy. The motion was unanimously approved.

Following the review and discussion on the above policies, the Audit Committee had the opportunity to review and discuss on following topics that were presented to the Committee by the Finance Director.

### **III –Other Updates and Items for Committee Discussion**

The following items were presented to and discussed by the Audit Committee.

- **Compensation Statements** – The Finance Director reported and gave the Committee Members an update on the design and format of the proposed “Compensation Statements” that be provided to each City employees outlining the value of their individual total benefits.
- **Status of the Annual Reaffirming of the Conflict of Interest, Code of Ethics, Gifts Policy** – A brief report was given on the status of responses to the annual acknowledgment by employees, commission members, and board members as to reaffirming the understanding of the conflict of interest, code of ethics and gift policy. It was reported that there was one commission member who has not responded requested acknowledgement.
- **Presentation on “Tax & Spending – How Does Your Local Government Compare and Why?”** – Reminder of the presentation to be held on Friday, August 2<sup>nd</sup> sponsored by the Taxpayers Association of Central Iowa. Nicci Lamb has been a participant in the preparation of the presentation.
- **Meeting with Moody’s Analyses** – Report on the conference call meeting with Moody’s held on July 16<sup>th</sup> and attended by the select City Administrative Personnel including the City Manager, Finance Director, Community Development Director, Economic Development Director, and the Treasurer. Meeting was in conjunction with the upcoming bond issue and the City securing an assigned rating from Moody’s on the issue.
- **Designating Bonds as Bank Qualified** – Discussion on having the City’s bond counsel providing reference in the opinion of future bond sales that the bonds being issued are Bank Qualification.
- **Preliminary Summary of Budget Results for FY 2012-13** – The Finance Director provided the Committee with a copy of the preliminary summary and overview of the budget results as of the closed of the recent fiscal year end.

Having no others items to be brought before the Committee for consideration and discussion, the Audit Committee meeting was adjourned at 9:26 AM with the motion being made by Andeweg and seconded by Carver.