



City of Urbandale  
Audit Committee of the City Council  
April 27, 2010

**Audit Committee Members**

- ✓ Robert Andeweg, Mayor
- ✓ Mary Polson, Council Member
- ✓ John Forbes, Council Member
- ✓ Donald J. Brush, Public Member / City Treasurer

**Meeting Summary and Action Taken**

The Audit Committee of the Urbandale City Council met on Tuesday, April 27, 2010, in a conference room 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 Mary Polson and John Forbes, 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 11:00 AM by Chairperson Brush.

The agenda for the meeting was accepted and approved by a motion from Andeweg and a second by Forbes.

The minutes of the Audit Committee meeting of December 9, 2009 was reviewed and approved by the Committee on a motion made by Andeweg and seconded by Polson.

Each member of the Audit Committee had previously been provided with a copy of the following financial policies:

- **Whistleblower Policy**
- **Conflict of Interest, Code of Ethics, Gift Policy**
- **Investment Policy**
- **Employee Travel Policy & Procedures Manual**

Each of these policies are required to be reviewed annually by the Audit Committee. There were no significant revisions or amendments to the above policies with the exception of the employee travel policy and procedures which had been updated with specific modification and clarifications which the Financial Director discussed in detail with the Committee. A copy of "sample" Employee Travel & Training Expense form was distributed to the Committee for review.

Committee members made inquiry and discussion ensued as to the process and procedures of having City employees, Board & Commission members, and elected officials acknowledging and reaffirming on an annual basis their understanding of the Conflict of Interest, Code of Ethics and Gift policy.

There was an inquiry as to any reported or reportable incidences during the past year as defined within the Whistle-Blower Policy, and how does the State Ombudsman provide the Committee with notice of reportable incidences. It was noted that the Chair of the Audit Committee would receive such a notice from the Ombudsman Office in addition to the City checking with the State Ombudsman's Office annually. The Chair indicated that there were no known reported incidences to have come before the Audit Committee during the past year.

The Committee discussed with the Finance Director current investment rates and as to the current list of identified depository institutions used by the City for deposit funds. The committee was advised that an electronic notice is sent or provided to all approved depository agencies each time that the City has excess funds to be invested. There was also a discussion on the principles of collateralizing of government deposits and the underlining backing of the State Sinking Fund.

The Finance Director provided the Committee with updates on the following topics:

- **Arbitrage Study Results – 2006 & 2007 Bonds** – The results of the required study were reviewed with the Committee. The Committee was also advised of the new reporting and filing requirements as established by the Internal Revenue Service.
- **OPEB** – The Committee was advised of the current status of the requirements under GASA 45. Nothing new to report. The most recent actuarial valuation analysis and report provided last year is good for two years.
- **Electronic Timecard System** – The Committee was provided with an update and overview of the new electronic timecard system that will be implemented by the end of July. Procedures requirement are currently being finalized. The related equipment for the new system has be delivered.
- **Procurement Card Implementation** – The Committee was given an extensive overview of the proposed “P-Card” program and the related procedures that would be implemented if the City is to adopt the program. The City would participate with several other communities in the Metro area in program which provide some significant benefits to each participant. The Finance Director and other representatives from neighboring communities will be having a meeting on May 12<sup>th</sup> with the proposed provider of the program. The Audit Committee provided the Finance Director with an unanimous consensus to proceed with the further review, consideration and implementation of the procurement card program.
- **I-Cash Online Credit Card Acceptance Implementation** – The Director provided the Committee with a general overview of a the proposed program that would allow the City to accept credit card payments for fees and services without incurring the normal “discount” fees assessed by credit card entities. The program would be available under a 28E Agreement with an established agency comprised of other cities in Iowa and coordinated through the Iowa League of Cities. The agency would be known as the Iowa Cities E-Payment Aggregation System (a/k/a/ “iCash”). Under the program, individuals using their credit card for payment of City fees would incur an independent “convenience” fee in addition to the actual payment amount they would be paying the City. The Director provided the Committee with additional documentation detailing the provisions of the iCash program. The Audit Committee provided the Finance Director with unanimous consensus to proceed with the iCash program.

- **Capital Projects Closeouts/Transfers** – The Director provided the Committee with a detailed list of capital projects that have been completed. This list has been reviewed with the City Engineer and the appropriate financial entries have been made.
- **Fiscal Performance Goals** – The Director distributed to the Committee for review a detailed report on the City’s current and past Fiscal Performance Goals.

Another items to come before the Committee included a discussion on the upcoming **independent audit by Eide Bailly** for the current fiscal year. The initial stages of the audit will begin preliminary work be conducted in June followed by further detail examination review being conducted in September and October. The Committee was advised that if there were any particular areas or issues that any member of the Committee might wish to discuss independently with the representative from Eide Bailly to contact the Audit Committee Chairperson who will be in contact with the firm during the preliminary phase of the audit.

There was also a brief discussion the changes in the **rating methodologies** utilized by Moody’s which become effective in April 2010. The changes should result in an upward shift in the City’s bond rating which is the consequence of Moody’s recalibration of municipal ratings against to a globe credit scale.

The meeting was adjourned at approximately 12:10 PM on a motion by Andeweg and seconded by Polson.