City of Tacoma
Government Performance and
Finance Committee Minutes

747 Market Street Tacoma, WA 98402

Conference Room 248

October 18, 2017

4:30 PM

**Chair Joe Lonergan, Vice Chair Marty Campbell,
Anders Ibsen, Lauren Walker Lee, Marilyn Strickland (alternate)**

JOINT MEETING WITH AUDIT ADVISORY BOARD

Call To Order

Chair Lonergan called the joint meeting to order at 4:39 p.m.

Present: 4 - Lonergan, Campbell, Ibsen and Walker Lee

Audit Advisory Board Members Present: 1 - Larkin
Audit Advisory Board Members Absent: 2 - Ball and Jones

Approval of Minutes

1. **17-1056**   Approval of the minutes of the meeting of August 30, 2017.

MOTION: Council Member Walker Lee moved to approve the minutes of the August 30, 2017 meeting.

SECONDED BY: Council Member Ibsen.

ACTION: Voice vote was taken and carried. The motion was declared adopted.
   Ayes: 4 - Lonergan, Campbell, Ibsen and Walker Lee

Briefing Items

2. **17-1057**   2016 Comprehensive Annual Financial Review (CAFR)
[Susan Calderon, Assistant Finance Director]

At approximately 4:40 p.m., Susan Calderon, Assistant Director, Finance, made opening remarks and introduced Paula Barry, Accounting Division Manager, Finance. Ms. Barry presented an update on the 2016

Comprehensive Annual Financial Report (CAFR) and stated the City is required to complete an annual financial report that demonstrates transparency, full disclosure, and board and management competency. Ms. Barry noted this report is viewed by credit rating and grant agencies, bond counsel, investors, and other financial advisors, and audited by the State Auditor's Office. She then explained the various financial and statistical sections of the CAFR, including auditor's reports, management's discussion and analysis (MD&A), financial statements and trends, revenue and debt capacity, and demographics and economy. She stated the auditor is responsible for performing annual audits and reporting issues identified during an audit as findings, management letters, or exit items. Ms. Barry presented the CAFR top five must-reads which include a transmittal letter, MD&A, basic financial statements, notes, and statistical section. She concluded by stating the next step is an accountability audit.

3.   17-1058   2016 State Auditor's Office Federal and Financial Audit Exit Conference
                      [Susan Calderon, Assistant Finance Director; Linda Mastin, State of Washington
                      Auditor's Office]

                      At approximately 4:50 p.m., Susan Calderon, Assistant Director, Finance,
                      introduced Linda Mastin, Assistant Audit Manager, and Joanne Klein,
                      Audit Manager, State of Washington Auditor's Office. Ms. Mastin provided
                      information relative to the 2016 State's Office Federal and Financial Audit
                      Exit Conference, including the audit reports process and 2016 financial
                      statement results. Ms. Klein provided information on the 2016 federal audit
                      results, federal programs tested, and a police department fraud loss report.
                      Ms. Mastin then reviewed the focus areas of the accountability audit,
                      including self-insurance, police department, Open Public Meetings Act,
                      purchase card controls and expenditures, and permit receipting, and
                      concluded with contacts in the State Auditor's Office.

                      Discussion ensued regarding the audit process on the Open Public Meetings
                      Act and materials used to audit the Open Public Meetings Act.

Topics for Upcoming Meetings

4.   17-1059   November 1, 2017- Board of Ethics Interview and Telecom Franchise Agreements:
                      Crown Castle and ExteNet
                      November 15, 2017- TBD

                      Chris Bell, Committee Liaison, stated the topics for the next meeting on
                      November 1, 2017 include Board of Ethics interviews and telecom franchise
                      agreements.

Discussion ensued regarding the City's Committees, Boards, and Commissions' evaluations, including appointments, staggering terms, interview times, evaluation timeline, and equity goals.

Other Items of Interest

There were no other items of interest.

Public Comment

There was no public comment.

Adjournment

There being no further business, the joint meeting adjourned at 5:07 p.m.

Joe Lonergan, Chair

Jessica Jenkins, City Clerk's Office