



# Agenda

DATE 1/30/18 TIME 3:51p  
PREP BY Celeste Valentine  
APPROVED BY [Signature]

**CITY OF SANTA FE AUDIT COMMITTEE MEETING  
CONVENTION CENTER ADMINISTRATIVE CONFERENCE ROOM  
WEDNESDAY, FEBRUARY 7, 2018  
2:00 P.M. – 4:00 P.M.**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF AUDIT COMMITTEE MINUTES – JANUARY 3, 2018
5. GENERAL AUDIT MATTERS
  - Update on Committee Matters (Clark de Schweinitz, Kelley Brennan)

**EXECUTIVE SESSION:**

**In accordance with the New Mexico Open Meetings Act §§10-15-1(H)(2) NMSA 1978, Discussion Regarding Limited Personnel Matters. (Kelley Brennan)**

6. OLD BUSINESS
  - Final Review and Vote on Committee Ordinance
  - Status of CAFR (Adam Johnson, External Auditor)
  - Animal Shelter Control Financial and Lease (Renee Martinez)
7. PUBLIC COMMENT – (5 Minutes)
8. NEXT MEETING DATE
9. ADJORNMENT

**Persons with disabilities in need of accommodations,  
Contact the City Clerk's Office at (505) 955-6520 five (5) working days prior to the meeting date**

**SUMMARY INDEX**  
**CITY OF SANTA FE AUDIT COMMITTEE**  
**February 7, 2018**

<b>ITEM</b>	<b>ACTION TAKEN</b>	<b>PAGE(S)</b>
1. CALL TO ORDER		
2. ROLL CALL	Quorum Present	1
3. APPROVAL OF AGENDA	Approved as presented	1
4. APPROVAL OF MINUTES	Approved as amended	2
5. GENERAL AUDIT MATTERS		
a. Update on Committee Matters	Not considered	2
b. Executive Session	Took place	2
6. OLD BUSINESS		
a. Final Vote on Audit Committee Ordinance	Not considered	2
b. Status on CAFR	Discussion	2-4
c. Animal Shelter Control Financial & Lease	Discussion	4-5
7. PUBLIC COMMENT	None	5
8. NEXT MEETING DATE	March 7, 2018	5
9. ADJOURNMENT	Adjourned at 3:51 p.m.	5

**MINUTES OF THE  
CITY OF SANTA FÉ  
AUDIT COMMITTEE**

February 7, 2018  
2:00 p.m.

**1. CALL TO ORDER**

A regular meeting of the City of Santa Fé Audit Committee was called to order by Member Clark de Schweinitz, Chair, on this date at approximately 2:00 p.m. in the Convention Center Administrative Conference Room, Santa Fé, New Mexico.

**2. ROLL CALL**

Roll call indicated the presence of a quorum as follows:

**Members Present:**

Clark de Schweinitz, Chair  
Barbara Borrego  
Al Castillo  
Cheryl Pick Sommer  
Carolyn Gonzales

**Members Absent:**

**Others Attending:**

Liza Kerr, Internal Auditor  
Kelley Brennan, City Attorney  
Brian Snyder, City Manager  
Adam Johnson, Finance Director  
Carl Boaz, Stenographer

NOTE: All items in the Committee packet for all agenda items are incorporated herewith to these minutes by reference. The original Audit Committee packet is on file in the Audit Department.

**3. APPROVAL OF AGENDA**

**MOTION: Member Castillo moved to approve the agenda as presented. Member Gonzales seconded the motion and it passed by unanimous voice vote.**

#### **4. APPROVAL OF AUDIT COMMITTEE MINUTES - January 3, 2018**

Chair de Schweinitz asked for a change on page 3, first full paragraph where it was not the Audit Committee but the auditor.

**MOTION: Member Gonzales moved to approve the minutes of January 3, 2018 as amended. Member Sommer seconded the motion and it passed by unanimous voice vote.**

#### **5. GENERAL AUDIT MATTERS**

- **Update on Committee Matters (Clark de Schweinitz, Kelley Brennan)**

This item was not considered.

- **Executive Session: In accordance with the New Mexico Open Meetings Act §10-15-1(H)(2) NMSA 1978, Discussion Regarding Limited Personnel Matters. (Kelley Brennan)**

**Member Sommer moved that the Audit Committee go into Executive Session to discuss the matters listed on the agenda in accordance with the recommendation of the City Attorney. Member Gonzales seconded the motion and it passed by unanimous roll call vote with Members Sommer, Gonzales, Castillo, Borrego voting in favor and none voting against.**

The Committee went into closed executive session at 2:05 p.m. and ended the closed session at 3:30 p.m.

**Member Sommer moved to return to open session, noting that during the closed session, no actions were taken, and the only matters discussed were limited personnel matters. Member Castillo seconded the motion and it passed by unanimous by voice vote.**

#### **6. OLD BUSINESS**

- **Final Review and Vote on Committee Ordinance**

This item was not considered because Ms. Brennan said she had no time to take care of it.

- **Status of CAFR (Adam Johnson, External Auditor)**

The bridge was opened for the auditors and Laura responded.

Mr. Johnson said it would be a good idea for her to give an update on things.

Laura said they are testing the trial balance as of the end of December that we received and going

back through many of the areas that were started and wrapping up that work. City Staff are very prompt and attentive in getting her what she requested in a timely manner. There have been some additional entries and those are being worked through and we are waiting to receive the next swath for the CAFR which should include everything, so we can do a full review and get it back to working groups.

Mr. Johnson said he is attempting to get the final draft out by Monday. If that happens, he asked how it will go from there.

Laura said she would submit another letter to the State Auditor's Office and probably take until the end of March to give everyone adequate time. They still need to look at revenues and expenditures and the Balance Sheet. They are making good progress. Many revenue items have been tested but not a high-level revenue and expense because much of our work has created additional JE's that are impacting revenue and expenses. She really wanted to focus on making sure the balance sheet is now balanced before she moves forward. It is nice to have balances we can pass through. If we are able to get a full draft that is reviewed by city personnel and everything all balances out, then we should be in good position to turn around by mid to end of March.

Chair de Schweinitz said, in looking at the minutes, she thought maybe February was achievable but clarified there was a lot of work yet to do and that she is the only person working on it.

Laura said she was trying to get others to help.

Mr. Johnson explained how much work each entity must do. A change from auditors requires a change by city staff. It is not ideal but where it is.

Member Borrego was surprised that Laura said no testing on the income statement.

Laura explained that she is working off the balance sheet and wanted to finish that before looking at revenue and expenses.

Member Castillo asked what extension number we are on.

Mr. Johnson said it is the same one, but we do need to submit a new one to the State Auditor to update it.

Member Castillo asked how many times the delivery date has been changed.

Mr. Johnson said just one time. Monday is the goal for the draft and we want to make sure it is accurate. The City has not ever had a good internal staff review for a long time. That is one thing he wanted to make sure happened this time, so auditors don't find things that are just mathematical errors, and so the draft doesn't have to come back to us.

Chair de Schweinitz thanked Laura and allowed her to get back to work. Next year maybe Laura might want to think about more direct communications with us.

Laura agreed.

Chair de Schweinitz explained that some auditors in the past have met with us in person- We only meet once a month and things happen between meetings.

Member Gonzales asked if anybody communicating with the State Auditor.

Mr. Johnson said the auditor does that.

Member Gonzales asked if the audit committee communicates that to the Finance Committee.

Mr. Johnson said he has communicated it to them in the meeting before the last one.

Member Gonzales asked if Mr. Johnson does that instead of the Audit Committee. Mr. Johnson agreed.

- **Animal Shelter Control Financial and Lease (Renee Martínez)**

Chair de Schweinitz said the Committee had asked for the second contract and it was sent to us by email about three weeks ago by Ms. Martínez. The special services contract is just the way the shelter is using city land. We previously had the land lease agreement. In 2016 and 2017, saying the same thing. We also had the financial statement. And now we have the PSA contract.

He commented that he was never quite sure what prompted this to come here.

Member Sommer recall that Councilor Harris wanted us to look at it.

Chair de Schweinitz suggested the Committee might want to do more of it. We have caught some good things. We can also assign them to members. I will do this one now. The financial statement is worrisome. It sounds like the Animal Shelter is not raising enough money.'

Member Gonzales thought the lease agreement said \$1/year.

Member Sommer said there was a one-time \$1000 payment. That what it says in the financial statement. The City paid \$1000 to the Animal Shelter and the City pays for office space now.

Member Borrego asked how much input the Audit Committee could have on it. Buying the house for the E.D. is not good use of their money.

Member Gonzales added that it is a 501(c) 3 and separate from the City.

Member Castillo said that in the statement of activity, it was not possible to determine how much of the old revenue is provided by the City. He asked where the City is in providing resources.

Mr. Johnson thought they should be able to get it from the PSA.

Member Gonzales so the government contract four \$402,000 doesn't explain where that is from.

Member Castillo so the Committee needs to find out if the dollar a year is worth it.

Member Gonzales noted that they charge adoption fees.

Member Castillo said that has to be determined.

Chair de Schweinitz asked if Ms. Nancy McMillan from the Police Dept should be invited.

Member Sommer didn't think so.

**7. PUBLIC COMMENT**

There were no public comments.

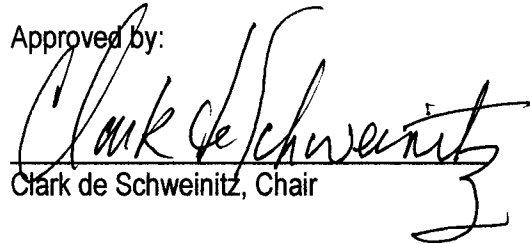
**8. NEXT MEETING DATE - March 7, 2018**

**9. ADJOURNMENT**

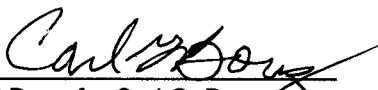
Member Castillo moved to adjourn the meeting. Member Borrego seconded the motion and it passed by unanimous voice vote.

The meeting was adjourned at 3:51.

Approved by:

  
Clark de Schweinitz, Chair

Submitted by:

  
Carl Boaz for Carl G. Boaz Inc.