

Thursday, February 15, 2018
10:00 a.m. in Pikes Peak Conference Room
2nd Floor, City Hall

Open Session

Members present were Council members Merv Bennett, Andy Pico, Brian McAllister, and Dave Wood. Also present were committee alternate Welensky Nathan, City Auditor Denny Nester, Assistant City Auditor Jacqueline Rowland, Sally Barber, Shawn Alessio, Tristan Gearhart, Scott Shewey, Adam Hegstrom, Tricia Timmons-Malsam, Mallorie Hansen, and Aaron Worthman of Baker Tilley. Linette Crouch was present to take the minutes.

Meeting was called to order by Merv Bennett at 10:00 a.m. Minutes of the January 18, 2018 meeting were approved in open session.

Aaron Worthman of Baker Tilley explained the Colorado Springs Utilities External Audit required communications to governance. Worthman noted that a clean opinion was given for 2017 external audit. A detailed PowerPoint presentation was used. Worthman also explained that several financial reporting changes are on the horizon. In 2018, Other Post-Employment Benefits (OPEB) will be required to be reported. It is expected that this will be around \$19mil in unfunded obligations. In fiscal year 2019, asset retirement obligations will be required reporting. Also in the future, leases will have to be included as part of the financial statements.

Nester presented report 18-03 Colorado Springs Utilities GCA report. Nester noted that per Utilities Board guidance routine adjustments will be submitted quarterly to manage balances within the tolerance prescribed.

Gearhart, Shewey, Timmons-Malsom, Hansen, and Worthman left the meeting.

Nester 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 (1) details of security arrangements or investigations, (2) consideration of any 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 If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.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 10:38 a.m. Hegstrom left the meeting.

Closed Session

The following items were discussed in closed session:

- 18-04 City of Colorado Springs Procurement Card Monitoring - 2017

Bennett moved the meeting to open session at 10:50 a.m.

Bennett adjourned the meeting at 10:50 a.m.