

**CITY COUNCIL WORK SESSION
JULY 06, 2011 @ 6:45 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Vice-Mayor David Reggiani called the Council Work Session to order at 6:57 pm on July 6, 2011 in the Library Meeting Room.

B. ROLL CALL

Present for roll call were Council members *Keith van den Broek, James Kacsh, David Allison, Bret Bradford, David Reggiani* and *Robert Beedle*. Absent were *Mayor James Kallander* and Council member *EJ Cheshier*. Also present were City Manager *Mark Lynch*, City Clerk *Susan Bourgeois* and Finance Director *Ashley Royal*.

C. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Audience Comments regarding agenda items - None

D. WORK SESSION TOPIC

2. City of Cordova FY10 audit report – John Bost, Mikunda Cottrell

Reggiani welcomed *John Bost*. *Bost* reported that in the City's audit for 2010 there were 13 significant adjustments and 22 minor adjustments, in terms of dollar amounts, which is higher than they would like but it has decreased three years in a row. He praised Cordova for having a Permanent Fund (General Reserve Fund) as a lot of cities do not have one. He reported that Cordova has a little over 4 months' worth of reserves in the general fund. He pointed out that much of the new equipment that the City owns was bought with grant money and that's where they see the depreciation. He explained the one finding concerning internal controls for grants. He suggests that grants be left to one person or at least one person should be ultimately responsible for grants with the coding and so forth. He reported that the Federal and State schedules were incomplete, missing grant information, and added that he finds this fairly often. *Ashley Royal* will work on it more closely next year. He reiterated that someone needs to be responsible for all the grant activity. He stated that he understands there is one person handling submitting the paperwork, but that the grants need to come into a central location with one person being knowledgeable about all of them. He mentioned that one grant was coded to lobbying and it was not eligible to be spent on lobbying; the correction required an adjustment. *Bost* stated that they now have a mitigation plan in place for the future. *Beedle* asked if the significant findings made a difference in the budget. *Bost* said it did not affect the budget. *Kacsh* stated that they separated the water and sewer for the budget and maybe it should be split for the audit too. *Royal* replied that it is split for 2011. *Reggiani* asked if *Bost* is comfortable with the internal controls plan. *Bost* replied that all the findings were grant related and if they can have one person ultimately responsible for the grants that will help.

E. AUDIENCE PARTICIPATION - None

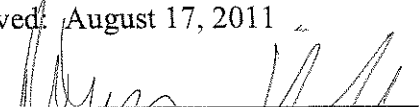
F. COUNCIL COMMENTS

G. ADJOURNMENT

M/Kacsh S/Bradford to adjourn the work session at 7:35 pm.
Hearing no objection, the meeting was adjourned.

Approved: August 17, 2011

Attest:


Robyn Kincaid, Deputy City Clerk

