



MEETING MINUTES
December 6, 2017, 5:00 p.m.

**Committee Members
Present:**

Council Member Pat Kolstad, Chair
Council Member Kathy Watanabe

Staff:

Chief Operating Officer, Walter Rossmann
Acting Director of Finance, Staff Liaison, Angela Kraetsch
Accounting Division Manager, David Noce
City Clerk, Rod Diridon
Staff Aide I, Sophia Smith

Guests:

Maze and Associates Shareholder, Amy Meyer

Matters for City Council Action: Recommendation to note and file the audited Santa Clara Comprehensive Annual Financial Report (CAFR) and Silicon Valley Power Financial Statements

1. Call to Order/Roll Call

Meeting was called to order by Council Member/Chair Kolstad at 5:04 p.m.

2. Introduction and Opening Remarks

The Chief Operating Officer described the audit that the City recently underwent and noted that the audit is the annual financial audit by Maze and Associates. He introduced Amy Meyer, Shareholder from Maze and Associates and city staff Angela Kraetsch, David Noce, Rod Diridon and Sophia Smith.

3. Public Presentations

Debra Bress stated that she was unhappy with the current accounting system from a public interface perspective and proposed changes that she would like to see.

4. Approval of Minutes

Minutes from the Santa Clara Stadium Authority were approved, motion by Committee member Watanabe and seconded by Chairperson Kolstad. Motion carried unanimously 2:0.

5. Annual City Auditor Report

City Clerk Diridon presented the annual City Auditor Report and responded to travel expense related questions from Committee member Watanabe and member of the public, Debra Bress.

6. Documents – (Handout)

- a. Draft City of Santa Clara Comprehensive Financial Report (CAFR)
- b. Draft Silicon Valley Power (SVP) Financial Statements
- c. Draft Memorandum on Internal Control
- d. GANN Limit and Compliance Reports

7. Presentation by Maze and Associates – Amy Meyer, Shareholder

Amy Meyer went through Maze's slide presentation.

Ms. Meyer defined what an audit is and the entities that Maze was engaged to audit, specifically mentioning that the Santa Clara Stadium Authority is not part of their audit scope as it is audited separately by KPMG.

Ms. Meyer went through the results of the audit, outlining the audit opinion as an unmodified opinion which is the highest level of assurance.

Ms. Meyer highlighted that the City implemented GASB 74 this year which is an accounting standard related to other post-employment benefits (OPEB).

Ms. Meyer described Maze's review of the City's internal control policies and procedures and went over Maze's Memorandum of Internal Control. She described a finding the City received due to the processes surrounding the segregation of duties between payroll and human resources. She reported that Maze had no material audit adjustments and complemented staff.

8. Overview of Financial Statements – Angela Kraetsch, Acting Director of Finance

Various points were highlighted from the Management's Discussion and Analysis (MD&A) section. A brief description of the sections of the CAFR was outlined.

Ms. Kraetsch gave an outline of the City responses to the Memorandum of Internal Control presented by Maze.

David Noce, Accounting Division Manager, went through a detailed review of the CAFR presenting highlights and financial results for the year.

Mr. Noce and Ms. Kraetsch responded to questions from committee members and the public.

9. Recommendation

Motion was made by Committee member Watanabe and seconded by Chairperson Kolstad to accept the audited City of Santa Clara CAFR and SVP Financial Statements for Fiscal Year ended June 30, 2017 and recommend that the City note and file the report at the December 19, 2017 City Council meeting. Motion carried unanimously 2:0.

10. Adjournment

Meeting was adjourned at 6:14 p.m.