



**Financial Oversight and Audit Committee ("FOAC")
Meeting Minutes**

Committee: Financial Oversight and Audit Committee ("FOAC")

Members: Committee Member Henry Rivera
Committee Member Cassandra Hernandez (Remote via Teams)
Committee Member Cissy Lizarraga (Remote via Teams)
Committee Member Isabel Salcido

Non-Members: Juan Gonzalez – Assistant City Attorney – Senior I (Remote via Teams)
Robert Cortinas – Chief Financial Officer (Remote via Teams)

Staff Assignee: Edmundo S. Calderon – Chief Internal Auditor

Meeting Date/Time: Tuesday February 8, 2022 – 11:00 A.M.

1. Call to order and introductions.

The meeting was called to order at approximately 11:11 A.M. MST.
It was determined that there was a quorum.

2. Approval of Minutes for the Financial Oversight and Audit Committee meeting of October 21, 2021. [Internal Audit, Edmundo Calderon, (915) 212-1365]

Motion made by Committee Member Hernandez, seconded by Committee Member Salcido, and unanimously carried to approve the minutes for the Financial Oversight and Audit Committee ("FOAC") meeting of October 21, 2021.

AYES: Committee Member Rivera, Committee Member Hernandez, Committee Member Lizarraga and Committee Member Salcido

NAYS: None

ABSTAIN: None

ABSENT: None

3. Discussion and Action on FY 2021-2022 Audit Plan 1st Quarter Update. [Internal Audit, Edmundo Calderon, (915) 212-1365]

Mr. Edmundo Calderon, Chief Internal Auditor, went over the 1st Quarter Update which included the introduction and an overview of completed audits and projects.

In regards to the Sun Metro Overtime 2nd Follow-Up Audit, Committee Member Hernandez inquired if the City's Mass Transit Manual mirrors policies as per federal requirements. Mr. Calderon noted Sun Metro incorporates federal mandates into their operating policies. Committee Member Hernandez inquired if there is any specific wording in the Federal policy that defines overtime. Mr. Calderon noted the federal government doesn't call the extra time "overtime" but defines it as working number of hours per day. Committee Member Hernandez inquired if the City is in jeopardy of losing any funding for violating any overtime rules. Mr. Calderon noted he is not aware of any loss of funds at this time. Committee Member Rivera inquired if the reason for limiting overtime is due to driver and passenger safety. Mr. Calderon confirmed it's a safety issue. Committee Member Rivera inquired if this information was included in the report as a reason why overtime objectives were not met. Mr. Calderon noted the report includes objectives were not met due to the current Covid environment.

In regards to the UETA Lease Review, Committee Member Rivera inquired if UETA's current location is a city building. Mr. Calderon noted the City of El Paso owns the building. Committee Member Rivera inquired what the exclusivity fee means. Mr. Calderon noted that it is one of the terms in the lease and it means UETA has exclusive use of the building. Mr. Calderon added that the exclusivity fee is approximately \$30,000 per year plus the revenue received from the 1% of their gross monthly sales. Committee Member Hernandez inquired which department is this lease contract under. Mr. Calderon noted the lease contract is part of the Capital Improvement Department and not the International Bridges Department. Committee Member Hernandez inquired if UETA not paying the exclusivity fee per the lease agreement was considered a finding. Mr. Calderon noted this was an observation in the review Memorandum.

In regards to the City of El Paso Employee Hotline, Committee Member Lizarraga inquired what process improvements were made by the Human Resources Department. Mr. Calderon noted they reorganized their office and created two HR Managers positions. Mr. Calderon added that they reengineered their reporting processes and are currently looking for a software solution to track cases more efficiently. Mr. Robert Cortinas, Chief Financial Officer, noted that the official job title for the two new positions was Employee Relation Officer. Mr. Cortinas also noted the Human Resources Department is trying to centralize their process to achieve consistency across every department. Committee Member Rivera inquired if Mr. Calderon can report the results to City Council once there is more data. Mr. Calderon noted that he will emphasize this matter when he reports out.

In regards to the Longevity Pay vs. Service Time Increase Review, Committee Member Hernandez inquired what is the total amount of money the City would have to pay out in difference due to the recalculation. Mr. Calderon noted that the Internal Audit Office provided their calculations to the City Attorney's Office, and they are not involved in settlement negotiations. Mr. Calderon noted if Committee Member Hernandez would like an update on the settlement or anything that might happen, she would have to get that specific information from the City's Attorney Office. Mr. Juan Gonzalez, Assistant City Attorney, noted he will ask his colleague, Kristen Hamilton, to follow-up as she is the one handling this matter. Committee Member Hernandez expressed interest in discussing the matter further in a future Council Executive Session.

Mr. Calderon went on to discuss training sessions completed, staff certifications, community service and audit hours.

Motion made by Committee Member Salcido, seconded by Committee Member Lizarraga, and unanimously carried to accept the 1st Quarter Update.

AYES: Committee Member Rivera, Committee Member Hernandez, Committee Member Lizarraga and Committee Member Salcido

NAYS: None

ABSTAIN: None

ABSENT: None

4. Discussion on Client Surveys. [Internal Audit, Edmundo Calderon, (915) 212-1365]

Mr. Calderon provided a brief summary and the process on the surveys.

5. Adjournment

A motion to adjourn was made by Committee Member Cassandra Hernandez. The motion was seconded by Committee Member Isabel Salcido.

Meeting was adjourned at approximately 11:50 A.M. MST.

Submitted by:

Committee Member Henry Rivera
Chair, Financial Oversight and Audit Committee

Edmundo S. Calderon – Chief Internal Auditor,
Internal Audit Office