Call to Order
Roll Call

Committee Members: Pete McCracken, Chair
Charles Webber, Member
Maria Bemis, Member
Julia Lew, Member
John Longley, Member

Staff Members: John Lollis, Deputy City Manager
Patrice Hildreth, Acting Secretary

ORAL COMMUNICATIONS

SCHEDULED MATTERS

1. Approval of Minutes of August 27, 2007
2. Status Report on Banking RFP/Interviews
3. Porterville College Swap Meet Audit Status Report
4. Supplanting Measure H Funds

OTHER MATTERS

ADJOURNMENT

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Deputy City Clerk at (559) 782-7464. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.
Call to Order at 3:00 p.m.
Roll Call: Committee Members: Pete McCracken, Chair
Charles Webber, Member
Maria Bemis, Member
Julia Lew, Member
John Longley, Member

Staff Members: Patrice Hildreth, Deputy City Clerk/Acting Secretary
John Lollis, Deputy City Manager

ORAL COMMUNICATIONS
None

SCHEDULED MATTER

1. APPROVAL OF MINUTES OF JUNE 12, 2007 AND JULY 16, 2007

The Minutes of June 12, 2007 and July 16, 2007 were approved as presented.

2. REVIEW OF BANKING RFPs FOR DEPOSITORY SERVICES

Deputy City Manager John Lollis presented the item and distributed a report from the City of Dover. Mr. Lollis spoke of credit card services, in particular, convenience fees. He stated that while unable to assess convenience fees for point-of-sale transactions, the City could assess convenience fees for web-based transactions. Installing a kiosk with a computer with internet access was suggested as an example of a way in which the City could take advantage of utilizing web-based transactions in City Hall. A discussion ensued as to ways in which various organizations had responded to increasing costs associated with credit card sales. Mr. Lollis cited the University of Missouri as an example, noting that the institution had ceased accepting credit cards for tuition payments.

Chairman McCracken stated that pursuant to City Council direction, the Audit Committee was again tasked with revisiting the Banking RFP, and clarified that there were two items before the Committee that day, those being banking services and credit card services. He noted that two of the bids received were responsive, while one remained unresponsive.

Mr. Longley suggested that interviewing the responding banks would be a beneficial undertaking.
Ms. Lew agreed, and suggested that the Committee appoint an ad hoc committee to conduct the interviews, and then report back to the Committee.

Mr. Longley moved that the Audit Committee establish an ad committee comprised of Chairman McCracken and Ms. Bemis to interview the responding banks, define the applications, and report back to the Committee with a recommendation.

Mr. Webber seconded Mr. Longley’s motion.

Chairman McCracken noted that the sub-committee would be technical-based.

Ms. Lew agreed, and suggested that Mr. Lollis also be appointed to the Committee.

Mr. Longley amended his motion to add Mr. Lollis to the Committee.

Mr. Webber seconded the amended motion.

COMMITTEE ACTION: MOVED by Mr. Longley, SECONDED by Mr. Webber that the Audit Committee establish an ad committee comprised of Chairman McCracken, Ms. Bemis and Mr. Lollis to conduct interviews with the responding banks, define the applications, and report back to the Committee with a recommendation.

AYES: Webber, Bemis, Lew, Longley, McCracken
NOES: None
ABSTAIN: None
ABSENT: None

Disposition: Ad Hoc Committee established.

A discussion then ensued as to credit card services and ways in which the City might be able to recoup the losses incurred with credit card payments. Chairman McCracken suggested increasing the fee from 2.5% to 3.0% to cover it. Ms. Lew stated that she would need to determine whether such an increase would be possible.

Mr. Longley questioned the reasonableness of the responding banks’ lack of involvement with the credit card services aspect of the RFP. He suggested that the banks should be seeking to be a part of the solution, rather than merely passing through the costs. A discussion ensued as to the level of the banks’ involvement. Mr. Longley commented that the City was seeking a bank that was a problem solver and that such willingness to work with the City to resolve problems should be a considered component.
Ms. Lew spoke of the uniqueness of the City’s banking needs and the necessity of the responding banks to acknowledge those specific needs.

It was pointed out that the State Board of Equalization and the Department of Alcohol Beverage Control accepted credit card payments. A brief discussion ensued as to whether the State was exempt from fees. Mr. Longley requested that Ms. Bemis contact the State Controller’s Office to find out how the State handled payments made by credit card.

Chairman McCracken suggested that the information be brought to the Audit Committee within the next two to three weeks, and that the Ad Hoc Committee proceed with the interviews as soon as possible. Chairman McCracken then noted that he was only available for meetings after 3:00 p.m.

3. REVIEW OF BUSINESS LICENSES COLLECTION FOR PORTERVILLE COLLEGE SWAP MEET

Chairman McCracken introduced the item. Mr. Longley suggested that an auditor be retained through the Chief Financial Officer’s office, that the auditor be tasked with reviewing the revenue related to the Porterville College Swap Meet business licensing, and provide a report of findings to the Audit Committee. He commented that Ms. Bemis should have the discretion to retain the auditor.

Chairman McCracken voiced concern with whether any records existed to even be audited.

**COMMITTEE ACTION:** MOVED by Mr. Longley, SECONDED by Mr. Webber that the Committee authorize Ms. Bemis to retain an auditor tasked with undertaking an audit of the collection of sales tax by the Porterville College Foundation for the Porterville College Swap Meet, and providing a report to the Audit Committee by December 1, 2007.

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<tr>
<th>AYES:</th>
<th>Webber, Bemis, Lew, Longley, McCracken</th>
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<tr>
<td>NOES:</td>
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Disposition: Direction given to staff.

The Committee directed that a status report be provided on the audit when the RFP item returned to the Committee.

Chairman McCracken requested that an “Other Matters” section be added to each Agenda. Ms. Hildreth confirmed that such a section would be added.
Chairman McCracken then inquired whether the Committee had subpoena powers, to which Ms. Lew responded that it did not since the Committee was only an advisory body.

The Committee selected 3:00 p.m. on September 10, 2007 as the time for the next meeting, and adjourned at 3:50 p.m.

___________________________________
Patrice Hildreth, Committee Secretary

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Pete McCracken, Chairman