

APPROVED ON 06/24/26



**CITY OF SCOTTSDALE
AUDIT COMMITTEE
REGULAR MEETING MINUTES**

**City Hall Kiva Conference Room
3939 N. Drinkwater Boulevard
Scottsdale, AZ 85251**

Friday, April 24, 2026

PRESENT: Councilwoman Maryann McAllen, Chair
Councilman Barry Graham (via video conferencing)
Councilwoman Solange Whitehead

STAFF: Lai Cluff, Acting City Auditor
Elizabeth Brandt, Senior Auditor
Mel Merrill, Senior Auditor
Shelby Trimaloff, Executive Assistant to City Auditor
Bill Kohn, Director of Fleet Management
Kira Peters, Deputy City Manager
Robin Melhad, Finance Analyst Senior, Fleet Mgmt.

CALL TO ORDER / ROLL CALL

The meeting was called to order at 3:00 p.m. A formal roll call confirmed the presence of Committee Members as noted above.

PUBLIC COMMENT

A public comment request for Agenda Item 2 was received from Sonnie Kirtley, Coalition of Greater Scottsdale (COGS).

REGULAR AGENDA

1. Approval of Minutes, Regular Meeting – February 27, 2026

COUNCILWOMAN WHITEHEAD MOVED FOR APPROVAL OF THE REGULAR MEETING MINUTES OF FEBRUARY 27, 2026, AS WRITTEN. CHAIR MCALLEN SECONDED THE MOTION. MOTION APPROVED 2-0 WITH CHAIR MCALLEN, COUNCILMAN GRAHAM AND COUNCILWOMAN WHITEHEAD VOTING IN THE AFFIRMATIVE.

2. Audit No. 2603, Fleet Maintenance

Senior Auditor Elizabeth Brandt provided an overview of the results for Audit No. 2603, Fleet Maintenance. Based on analysis of service times over the last 3 fiscal years, vehicles in the shop are averaging 33% longer downtime, which means they spend more time in the service shop. The data showed that the average wait time for initial bay and mechanic assignment increased by 44%, rising from 5.5 to 8 hours. Other service wait times also increased. These outcomes were impacted by the limited number of bays per mechanic, delays in obtaining parts, and ongoing mechanic vacancies and turnover.

- It is recommended that Fleet evaluate its bay capacity needs and strategies for increasing shop capacity, strengthening recruitment efforts, and enhancing parts inventory management.
- Finding 2 expands on two recommended areas to enhance operational efficiency: assessing current skill sets against operational goals, and developing targeted training plans; further refine and expand performance measures.
- Additionally, policies for assigning preventive maintenance frequency are needed to ensure consistency and alignment with recommended practices. The lack of internal guidelines increases the risk for errors or inconsistencies that may lead to workload inefficiency or larger repairs later on.
- Finally, recommendations were made to strengthen controls over fuel keys and fuel cards, as well as developing a pricing methodology that evaluates maintenance rates based on actual costs, to support the proposed internal service rates.

Public Comment on Item No. 2: Sonnie Kirley, Coalition of Great Scottsdale (COGS), referenced past audit findings and spoke about the importance of ensuring fuel keys and cards are collected and deactivated when employees separate.

Ms. Cluff commented that fuel keys and cards are managed separately from city purchasing cards. The prior audit recommendations on purchasing cards have been addressed. Procedures for fuel keys and cards need to be established and the Department is in the process of reviewing the active keys and cards with the client departments to cleaning those up.

Chair McAllen commented that all departments citywide should adopt the same process for when an employee leaves the city, including collecting cards and deactivating access. Ms. Cluff noted city policies exist, but this is an area that Audit continuously reviews.

In response to questions from Councilwoman Whitehead, Director Bill Kohn spoke on the maintenance schedules; urgent service request process; staff training and mechanic shortage; ongoing difficulty in attracting and retaining quality technicians. Regarding mechanic pay, Mr. Kohn said Fleet's pay range is competitive with other cities but not the private sector. Further discussion ensued regarding potential recruitment strategies and parts supply challenges.

Chair McAllen expressed concern about the elimination of two mechanic positions the Fleet department budget when there are service delays. Deputy City Manager Kira Peters clarified that there were 4-5 vacant positions that were reviewed for reclassification to a higher-level position. She stated that they are working with HR to market those positions. Ms. Cluff added that Fleet has

been running with about 6-7 vacancies over the last 3 years and with this budget proposal, they are requesting to reclassify 2 for slightly higher pay and eliminate 2.

In response to a question from Chair McAllen, Mr. Kohn confirmed that Fleet has reached out to the East Valley Institute of Technology (EVIT) to attract students.

COUNCILWOMAN WHITEHEAD MOVED TO ACCEPT AUDIT NO. 2603, FLEET MAINTENANCE, AS SUBMITTED. COUNCILMAN GRAHAM SECONDED THE MOTION. MOTION APPROVED 3-0 WITH CHAIR MCALLEN, COUNCILMAN GRAHAM, AND COUNCILWOMAN WHITEHEAD VOTING IN THE AFFIRMATIVE.

3. 3rd Qtr FY 2025/26 Follow Up on Status of Audit Recommendations

Lai Cluff, Acting City Auditor, provided a brief update on the progress of the audits towards implementation and noted that recommendations for three audits were completed during the third quarter: E-Verify, Police Equitable Sharing Financial Reporting, and Emergency Management. Chair McAllen expressed interest in E-Verify and Scottsdale Arts follow ups and Ms. Cluff noted most of the Scottsdale Arts recommendations were implemented through the new agreement approved by Council and follow up would continue on the last few that remain. In response to inquiry from Councilman Graham, Ms. Cluff provided clarification on the report graphic and noted that the recommendations for the Identity and Access Management audit are in progress due to a vacancy in the responsible position. Chair McAllen inquired about the Risk Management audit follow-up.

4. City Auditor updates and preliminary discussion of FY 2026/27 Audit Plan

Acting City Auditor Lai Cluff discussed the status of the current audit plan including audits completed, in progress, or carried forward.

In response to inquiry from Councilman Graham, Ms. Cluff reviewed the updates to the Audit Plan since it was initially approved in June. The financial controls audit was broken into three different areas for review and the cash handling audit was moved up from the contingency list. Because of the new financial system, these areas all have new processes. The Facilities Project Management audit will move to contingency and several others will be carried forward. Also, the IT Asset Management audit will focus on mobile devices. Ms. Cluff also noted that recruitment for a senior auditor is in process.

Ms. Cluff discussed the process for developing the next year's audit plan. Normally risk ratings are provided to help with audit planning; last year's was shared as an example. However, due to organizational changes this past year, she is in the process of realigning the audit areas. Ms. Cluff also plans to meet with city departments for input on potential risk areas and schedule individual meetings with Council to discuss areas of interest.

Councilman Graham departed the meeting at 3:49 PM.

5. Possible Items for Next Meeting

Ms. Cluff noted two items planned for May: initiation of the next external financial audit and discussion of the FY 2026/27 audit plan. In response to request for feedback on the meeting

dates, Committee members expressed preference to move those to the June meeting. Ms. Cluff stated that the June 26th date initially scheduled will not work for everyone, but she will confirm calendars and reschedule.

Adjournment

With no further business to discuss, being duly moved by Councilwoman Whitehead and seconded by Chair McAllen, the meeting adjourned at 3:52 p.m.

SUBMITTED BY:
Shelby Trimaloff, Executive Assistant to the City Auditor