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FOR IMMEDIATE RELEASE

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MUSCATINE CITY COUNCIL ACCEPTS RESPONSE TO RE-AUDIT

Council members disturbed by the waste of time and money for re-audit of City

MUSCATINE, Iowa – The Muscatine City Council accepted the City staff and City Council's Audit Committee responses to the re-audit report released July 27 by the Auditor of the State.

Muscatine Mayor had filed a request in April 2016 for a re-audit of City finances over allegations of misuse of City funds during a 2014 trip to China, the misuse of City resources during a performance by the China Orchestra in February 2016, and the establishment of the Muscatine Mayor's China Initiative Task Force. Each of the allegations were dismissed by the Auditor of the State as without merit.

The Auditor did recommend more documentation and having public discussions by the City Council on any trip as to its "public purpose" while not fully defining what the Auditor determined was the definition of "public purpose".

The City responded that City Code, the City's travel policy, and procedures for reimbursing travel expenses are extensive and were followed. In addition, the China trip was well publicized

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in advance, was prepared and undertaken with the full knowledge and support of the City Council, and provided an economic benefit to the City of Muscatine.

The question of the anonymity of the re-audit request came from the fact that the individual requesting the re-audit is not revealed to the entity being re-audited by the State Auditor's office. Therefore, the City did not know who had requested the re-audit until Mayor Diana Broderson announced in a newspaper article that she was the one to ask the questions about the China trip among other questions.

The City also investigated the claims that the city administrator, city attorney, and finance director were asked by the Mayor for information concerning the trip to China. No documentation could be found except for a question on the China Initiative Committee and whether they had spending authority.

In the spirit of transparency, the City of Muscatine publishes the following comments from City Council member Tom Spread on the re-audit report during discussion of the motion to accept the audit committee and city staff response.

"I had a fair amount of time reading the information. Last month marked my 40th anniversary in the banking business and in that period of time I literally reviewed and responded to hundreds of audits, reviews, exams. This disturbs me because I have never seen a report that said so little and cost so much. The thought that taxpayers spent over \$8,000 to talk about \$4,000 of expenditures not to mention another \$2,200 worth of soft time from city staff, I just think this was

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a disservice. I know that in April of 2016 the mayor filed an anonymous complaint that took over a year to complete the audit process. Quite honestly, I think that was because it was so inconsequential. It was not a priority.

Just recently, the mayor gave interviews to local media where she indicated that her purpose was to respond to unanswered questions of concerned citizens. Well, any citizen inquiry falls within the realm of the Freedom of information Act (Open Records) and the City has a complete set of administrative rules to make sure that there is adequate and timely response.

I checked with the city administrator's office, there is no record of anyone ever asking for this information, there is not record of the mayor ever having asked for this information. Rather, a complaint was filed with the auditor's office. It just seems to me that the whole exercise was just a huge waste of time and resources.

And in that interview with local media, the mayor indicated that this was in an issue of transparency. I would point out that this city administrator and this council just recently rolled out something called Open.Gov. It is on the front page of our web site. It allows everyone to see the financial dealings of the City. It will take some time but there will be more complete information out there. I do have a concern that financial information in the hands of someone that is not fully informed will result in misunderstanding. But we are just going to have to learn to deal with that and explain everything to everybody.

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As far as the trip to China goes, that matter was well publicized. We all knew about it. Back in 2012-2014 there was a 19-page written document that explained the entire China Initiative. That has always been available.

And for the audit to suggest that there should have been a public hearing prior to the trip is ludicrous. If you apply that logic, every time someone, the mayor, the city administration, a county representative, anytime somebody gets into a car to go the Quad Cities to a Regional Bi-State meeting, we would have to have a public hearing. That just makes no sense.

My final concern or question, is maybe one day the mayor will explain the logic of filing an anonymous complaint in the name of transparency.

And that is all I have to say. Thanks."

Councilman Mike Rehwaldt asked the following question of Major Diana Broderson.

"Mayor do you have any comment on anonymous comments or questions in the spirit of transparency? Those are your words."

The response by Mayor Diana Broderson:

"I will not be baited into discussing this tonight. But I did have some comments already prepared based on the subject for the evening. I did not make an anonymous complaint. I fully identified

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myself when I asked my question. And before I ever called them, I did inquire with the city administrator about the trip and then with the city attorney about the trip, and then with the ombudsman before it ever went to audit. That is my final statement on that. "

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[MEMORANDUM TO COUNCIL](#)

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