

## COMMISSION WORKSHOP

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Mayor Woods called the workshop to order to discuss the State Audit Report Findings Update. Present were Commissioner Wilbur Waters, Commissioner Carolyn Spooner, Commissioner Tommy Chastain, Commissioner Danny Nugent, City Clerk Ricky Thompson, City Manager Tom Ernharth, and Financial Advisor John Thiemann.

Mayor Woods tuned the workshop over to Clerk Thompson for a status report.

Finding No. 1: Organizational Structure - completed 2/16/2015 when the new city manager arrived. The ordinance establishing the city manager position states the duties for the position.

Finding No. 2: Separation of Duties; as of 03/03/ 2015 all points have been completed and policies will be placed in the police procedure manual for approval.

Finding No. 3: Written Policies and Procedures; in process of putting all polices and procedures together as well as employee handbook. They will be submitted to the commission for approval. He anticipates this to be complete within a month.

Finding No. 4: City Commission Minutes; Completed Commission approved 10/07/2014.

Finding No. 5: Petty Cash and Change Funds; resolved with issuing credit cards to the department heads. The policy will be drafted on the use of credit cards.

Finding No. 6: Bank Accounts and Reconciliations Have trimmed down the number of bank accounts with still one at TD Bank to close and monthly bank reconciliations are being done on all accounts. There is one additional account he would like to close.

Commissioner Chastain asked how many accounts have been reduced and how many do we have left?

Financial Advisor Thiemann explained some of the CD could be combined to make larger ones; one for utility and one for general. We have closed about 8 accounts.

Finding No. 7: Banking Agreements and Signature Cards Banking agreements are now on file in the vault, call signature cards are updated every October, all warrants are now signed by the Mayor and City Clerk.

A list of depositories (banks) have been provided to the commission for approval 03/03/2015.

Finding No. 8: Controls Over Electronic Funds Transfers WE have the procedure with security measures in place,; we don't have it written into a procedure. Alicia will be drafting the procedure for the manual

Finding No. 9: Cash Collections Alicia has implemented the procedure and will be drafting to be placed in the manual

Finding No. 10: Uncollected Local Business Taxes With the assistance of the code officer past due taxes have been collected and a procedure will be written

Finding No. 11: Utility Deposits Alicia has implemented the procedure and will be drafting to be placed in the manual

Finding No. 12: Electricity Billing True-Up Calculations The Financial Advisor is reviewing the billing true up calculations

Finding No. 13: Utility Cutoff, Adjustment, and Water and Sewer Extension Cost Procedures

Alicia will get input from the engineers and draft a procedure for implementation

Finding No. 14: Enterprise Fund Financial Condition Clerk Thompson asked Mr. Thiemann to address this issue.

Mr. Thiemann explained there is a minimum reserve established and that is what the auditors are aiming at. The only way is to a contingency fund. The commission should establish a plan on how to get to a minimum reserve and keep it there.

Finding No. 15: Enterprise Fund Working Capital Mr. Ernharth will discuss a strategic plan at the March 24 meeting on the needs of improving the infrastructure and with the commission input produce a plan for funds to make the improvements.

Finding No. 16: Budget Preparation; this is being done now.

Finding No. 17: Budget Amendments; budget amendments were advertised correctly for the 2013-2014 and will continue to be done.

Finding No. 18: Annual Financial Report and Budget Transparency; this is currently being done.

Finding No. 19: Compensation for Elected Officials and Employee Bonuses the ordinance for elected official pay increases have been and the procedure for the bonus will be drafted and placed in the manual.

Finding No. 20: Hiring Practices in progress

Finding No. 21: Employee Classification and Pay Plans; in progress

Finding No. 22: Performance Evaluations; employee evaluations have been completed annually for 2013 and 2014 and will continue.

Finding No. 23: Overtime Payment Monitoring this is being done. 03/03/2015

Finding No. 24: Credit Cards; Alicia will draft a policy for the commission's approval this also ties into finding No. 6

Finding No. 25: Purchasing and Disbursement Processing we are making sure the material requisitions are completed correctly.

Finding No. 26: Auditing Services we now receive invoicing from our auditors for services provided and paid accordingly.

Finding No. 27: Engineering Services Invoicing is received from the engineers on all projects

Finding No. 28: Legal Services New attorney has been selected and invoicing is received monthly

Finding No. 29: Insurance Services This has been done for health insurance and will be working on other insurances this year

Finding No. 30: Other Professional Services Have eliminated all contracted employee positions and looking into the zoning consultant and building official.

Finding No. 31: Employee/Independent Contractor Status Have eliminated all contracted employee positions

Finding No. 32: Vehicle Taxable Fringe Benefit; the City Commission is currently working on a policy and waiting on three month on the usage. Chief Johnson added a policy was provided to cover what is being done now.

Finding No. 33: Diesel Generator Usage Records Testing has been conducted and revealed the need for generator replacement, which has been done and inspections and maintenance will be conducted periodically

Finding No. 34: Tangible Personal Property Inventory In progress

Finding No. 35: Motor Vehicles; this has been corrected. Everything has been gone through and all registrations have been updated and anything that we don't have any more has been removed from insurance.

Commissioner Spooner asked for a monthly updated list.

With no additional discussion the Mayor Woods closed the workshop.

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Travis V. Woods, Mayor  
Commissioner Tommy Chastain  
Commissioner Daniel Nugent  
Commissioner Carolyn Spooner  
Commissioner Wilbur Waters

Attest: \_\_\_\_\_  
Ricky Thompson, City Clerk