

BULL SHOALS CITY COUNCIL SPECIAL MEETING

January 2, 2017

The Bull Shoals City Council met in special session on Monday, January 2, 2017 at 6:30 pm in the municipal building. On roll call, all Council Members were present as were the Mayor and Recorder/Treasurer.

Oath of Office:

Justice of the Peace, David Nixon swore Council Member Tuesday Rhodes in before the meeting began.

Meeting Called By: Jim Traylor, Alan Graley, and Dino Giannini

Reason Meeting Called: "The Budget"

Jim Traylor opened the meeting stating there were problems with the budget and that it was confusing. He mentioned the confusion the Chief of Police was having with the budget and that some council members were confused too. Jim Traylor then mentioned the problems that came from the LOPFI issue several months back and the accusations made by Todd Gilbert that insurance premium payments made on previous employees. He then stated that these types of errors are costing the city some money. He then stated that it was obvious to him that the City of Bull Shoals needed professional help from a CPA firm. He then stated that there are no problems, just solutions. He then made the statement that the City of Bull Shoals needed to hire a professional CPA firm to come in set the council on a straight path and audit the books and give the council some numbers that they can work with and help come up with a budget that makes sense. Jim Traylor then made the motion to authorize Mayor Hotchkiss find and hire a professional CPA firm, license, bonded and insured as required by law, to conduct an internal audit of the city accounts and books. This CPA firm would then things bring up-to-date and recommend any changes and best practices as well as any bring any bank account reconciliations up-to-date.

Mayor Hotchkiss then asked Jim Traylor what exactly he was asking for. Jim Traylor stated he wanted to have a professional CPA firm to audit our books. Tuesday Rhodes then asked how this audit would be different from the state audits. Jim Traylor replied by stating that "we are doing the audit". We are hiring a firm to come in and do this. Tuesday Rhodes then asked if they would look at things differently. Jim Traylor responded "yes" and we would hire a professional help to do this.

Marty Nickels then asked what the cost of this would be. Jim Traylor stated that it would cost somewhere between \$1000.00 - \$1200.00. Tuesday Rhodes then asked if we had the money to pay that. Jim Traylor stated that he did not know. Daryl Lindman asked how this would be different than the one that we just received. No one responded. Daryl Lindman then asked if we have received any information on our Water/Sewer audits yet. Recorder/Treasurer and the Mayor both responded stating the audit drafts were received a few days ago for audit years 2013, 2014, & 2015. Recorder/Treasurer Kimberly Williams added that we would be receiving an official response from Arkansas Legislative Audit shortly as well.

Jim Traylor then presented a Water/Sewer audit draft performed by Brian Haas, CPA. He referred to a statement made in the internal control section of the report stating that Brian Haas was suggesting the city use an outside source for financial statements. Recorder/Treasurer then stated that this statement was taken out of

context and advised to read the rest of the internal control generalized statement. Jim Traylor stated that this was “recommended by a recommender”.

Alan Graley then suggested that the Budget Committee take a look at this first. He then continued by stating that the Budget Committee could be looking at things that “may or may not” be there. Then they could advise the auditor in which direction to go in. Jim Traylor then stated that “we could do that”. Alan Graley asked Jim Traylor if he would consider trying that first. It was then suggested by both Alan Graley and Jim Traylor to table this until the Budget Committee can look at things.

Marty Nickels then stated that we already have a motion and a second on the table. Mayor Hotchkiss stated that the council needs to retract the motion or vote. Alan Graley then stated that it was up to Jim Traylor if he wanted to retract his motion.

Tuesday Rhodes then made the statement that she was concerned the budget committee would not get what they needed to do their job do to some FOIA requests she knew of that did not get filled timely.

Daryl Lindman then made the statement that he would like to see, in writing, the health insurance premiums paid for on previous employees which Todd Gilbert implied. Daryl then stated again he wanted to see this in writing. Recorder/Treasurer, Kimberly Williams then stated that Todd Gilbert failed to state that she would deduct the premium for a previous employee and submit the paperwork to remove that person with the monthly payment. There were no payments made on previous employees. She also noted that she explained this in the last council meeting—the same meeting in which she was accused of this and she corrected Todd Gilbert after he made these statements at that meeting.

Mayor Hotchkiss then restated the question from earlier—is the council going to vote on it or withdraw? Because there is a motion and a second on the table. Jim Traylor said he thought the council should go forward with it. Mayor Hotchkiss then restated the motion—To hire an outside accounting firm to do an audit of our books. Mayor Hotchkiss then asked if he stated the motion right. Jim Traylor said “yes the books, the checking accounts, the complete accounting, practices, and how we do stuff? Jim Traylor then added that “we need a budget to work with.” Mayor Hotchkiss then asked for confirmation that the motion was stated correctly by him. Jim Traylor agreed and Mayor Hotchkiss asked the Recorder/Treasurer to call the role. Alan Graley abstained, Jim Traylor voted yes, Marty Nickels voted yes, Daryl Lindman voted no, Tuesday Rhodes voted yes, and Dino Giannini voted yes.

With a vote of 4-2, motion passed.

Alan Graley then made the motion, seconded by Marty Nickels and third motion from Tuesday Rhodes was made to add codification of ordinances to the agenda. Motion passed unanimously.

Codification of Ordinances –

Alan Graley requested all ordinances since September 2007 be sent to the Arkansas Municipal League for codification. Alan Graley made the motion, seconded by Jim Traylor to move forward with the codification of all ordinances. Motion passed unanimously.

2017 Budget & Hotel Accommodations for AML Winter Conference:

The council discussed the funding of hotel accommodations for the AML Winter Conference. Some of the council members and others were going to stay at the Wyndham because the rates were reduced and rest was going to remain at the Marriot. It was discussed that additional funds will need to be added to this line item in the 2017 Budget to accommodate this expense but no vote was taken to allocate the funds.

Marty Nickels made the motion, seconded by Daryl Lindman that the meeting be adjourned. The motion passed unanimously and the meeting adjourned at 6:53 p.m.

Approved: _____

David R. Hotchkiss—Mayor

Attested: _____

Kimberly Williams—Recorder/Treasurer