

CITY OF TATUM
SPECIAL MEETING

Mayor - Michael Henry

AUGUST 29, 2024

5:30 PM

Minutes

CITY COUNCIL

Tate Smith Pro-Tem

JR Smith

Wendell Moore

Robin Palmer

Greggory Cole – NP

City Secretary - J. Muckleroy

CALL TO ORDER:

Prayer:

Pledge of Allegiance:

Citizen Comments: Please limit comments to a maximum of three minutes:

NEW BUSINESS:

- Discussion and Motion on findings of the City of Tatum's Audit Review
Wendell Moore motioned to discuss and JR Smith seconded the motion.

David Godwin, City Auditor, presented the Independent Auditor's Report for FY2022-2023.

Compliance:

FY 2022 - The city was cited with four compliance weaknesses and provided corrective action plans to address them.

FY2023 – The City was cited with five (5) material weaknesses. This number of material weaknesses is outside the norm received for any municipality. Many of the reasons for this were the constant turnover of City Secretary personnel and work not being completed. It was also due to a lack of training that some required conditions were not met. This will roll over into 2023-2024 because the personnel change did not take effect until April 2024 for the current City Secretary. At present, the new City Secretary is working diligently to establish internal processes that will address the identified weaknesses:

- reconciliation discrepancies,
- lack of supporting documentation,
- tracking restricted cash for municipal court fees and ARPA
- inadequate training and documentation of processes and procedures,
- segregation of duties – payroll processing, water department administrative duties, direct deposits, vacation and sick accruals and accounting, should be cross-trained with court clerk. This serves to assist with overall office administration duties, but also provides accountability for all involved.
- Police Seizure fund did not provide a detailed budget of expenditures for the funds spent in the prior two years. Chief of police should provide an explanation of these expenditures to the City Secretary and Mayor and this information should be reported and included in the budget process. In

addition, the expenditures will need to be presented to the council to review expenditures against the police seizure funds.

- IRS Form 941s were not filed quarterly as required. The contractor, Dana Buddecke, has filed these up to date.
- Filing Unemployment taxes with TWC quarterly reports were improperly filed for 2022-2023. The current City Secretary has filed the 2023 -2024 TWC quarterly reports up to date. She will continue to monitor this process to ensure that the city complies with the statutory requirements of the Internal Revenue Service.
- The city was not submitting the annual adopted budget to the county clerk as required. The new city secretary has complied with the submission requirement for the 2024 Budget.

- Segregation of Duties – Mr. Godwin, the Auditor, started by thanking Jackie, Dana, and Nakia for their help with the audit. He said the city wouldn't have gotten this far without their knowledge and background. Bank reconciliations have been completed through May 2024 by Dana Buddecke. Jackie is working to get city administrative issues in compliance and the day needs of the city addressed. Nakia is working diligently with TEDCO to help the city. These individuals are responsible for the city getting this far regarding financials and should be commended.

- He stated, "I want to point out to the City Council that the term/title "City Secretary" is not just someone answering the phone or taking payments as generally thought. However, this position or title is our only statutory position in the municipality. So, if you have a city, you must have a City Secretary –a key position responsible for running the city. This position piggybacks off of the Federal setup. So, when you think of titles such as Secretary of Defense or Secretary of State, it's in that sense or level of responsibility that her job falls in. Also, things such as Elections Manager are a part of this position. Essentially, this position oversees city affairs and screening officials, website management, and all administrative positions in the city. All positions working in this municipality essentially fall under this position. This position does a lot and is a critical position that works with the council to improve the city. I want to reiterate to the council the correct understanding of the role of the position of City Secretary. This position is often called the City Administrator or City Manager". Mayor Henry said this person is like the "office ninja." Per Mr. Godwin, the Auditor, this person is responsible for the city's day-to-day operations.

- Encouraged City Council members to be involved with financials and to review and question financial information in the monthly agenda packets.

Mayor Henry asked when the audit would start? The auditor said that it starts at the end of the fiscal year, two to three months in. The auditor encouraged the council members to reach out to him with questions

regarding the financials. He reiterated that Jackie, Dana, and Nakia regularly reach out with questions and that he is happy to assist.

- Engagement Letter provided for review and approval at next meeting
- Discussion and Motion on Lead & Copper Initiative – Wendell Moore made a motion to discuss the lead & copper initiative. JR seconded the motion.

Mayor Henry stated that we are ten months in arrears, and this needs to be reported to TCEQ by 10/16/2024.

Councilmen Wendell Moore asked why we are just learning of this. The City Secretary explained that Dana Buddecke emailed her about an article she read regarding this. The city would not have known this deadline without this notification. Per the Mayor, this will need to be subbed out, like the City of White Oak, who paid \$500K to complete this work for their city. Councilman Moore said he would check with another town to see who they are using to get this done. He asked if we would need to identify service lines that are lead pipes on our side or our side and the customer's side. The city is responsible for checking both sides. However, the city is only responsible for replacing its side, but the customer will need to be notified and given the option to repair their side.

The City Secretary said that the City of Beckville is using RVS Software to assist with identifying lines in their system. This software would allow us to identify the lines in our RVS software and which customer lines have or will be identified. After completion, RVS will also issue the report to TCEQ on our behalf. She also stated that there are grants available to assist with this cost, but we may be too late to submit these, since we are so late learning of this process.

City Secretary stated that we now have to be reactive to this situation rather than proactive, which puts us at a disadvantage. It is best to be proactive and department heads must be attentive to initiatives from governmental authorities affecting their departments. They should bring this to the attention of the Council and City Secretary so that we can address it in advance. This would alleviate the need for additional funds to be paid out to get work done on an emergency basis.

Motion to get bids to have work contracted out. Robin Palmer made a motion to get bids, and JR seconded the motion.

Wendell work on one from White Oak, Tate will work on Gladewater, and Mayor will work with Mike on getting another bid. Mayor Henry said all bids must be bid on the same. These bids are to be brought to September 9, 2024 Council meeting for review.

Wendell Moore made a motion to adjourn, and JR Smith seconded the motion.
All in Favor

ADJOURN – meeting adjourned at 6:58PM

**** The Tatum City Council reserves the right to go into executive session at any time during this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.086 (Economic Development).**

This facility is wheelchair-accessible, and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact the City Secretary's Office at (903) 803-3580 or by email at cityoftatum@tatum.texas.gov.

I certify that the foregoing notice was posted on the bulletin board and the front door of the Tatum City Hall, Tatum, Texas this the 7th day of September, 2024.



Mayor Michael Henry

Date