

PUBLIC NOTICE OF SPECIAL MEETING
DAVIS CITY COUNCIL AND DAVIS MUNICIPAL AUTHORITY
MONDAY, JUNE 24, 2019 7:00 P.M.
DAVIS CITY HALL
227 EAST MAIN

1. Call to order Davis City Council and Davis Municipal Authority by Brian Davis. Time: 7:00 p.m.
2. Roll Call. Mayor Brain Davis, here, Vice-Mayor Stan Jones, here, Councilman Josh Oakley, here, Councilman Clint Grinstead, here.
3. Prayer led by Stan Jones.
4. Pledge of allegiance led by Brian Davis.
5. Discussion and possible action to approve amendments to FY 2018-19 year-end Budget. Jones made motion to approve. Second by Oakley. Vote: Oakley, yes, Grinstead, yes, Jones, yes, Davis, yes. Tom said in General Fund here was five that we had to put in there to make them balance. The biggest change was the Street Department was money we used to do contract mowing. We assist the Senior Citizen's after their grant money runs out. The others were due to 3% increases that people had that were not in the budget to begin with and some benefits had to be recalculated. The grant fund we had to put in there the REAP grant that we received and the expenditures that we didn't have. In the municipal, taking money out and putting them in areas to balance. We also had to put the electronic meters that we must show and put in the budget. This is just moving money from one account to another.
6. Presentation of FY 2016-2017 Audit by Chris Angel of Angel, Johnston, Blasingame, P.C. Shelly Knox, with Angel, Johnson, Blasingame presented the audit. General Find shows a deficiency of (\$837,034) in which it is funded by Turner Falls and money hasn't been transferred to help with operations. DMA has \$317,779 and Turner Falls has \$2,752,072. The findings were one with the FEMA grant. A lack of procedures and controls for monitoring the City's grant awards caused the City to lose the 75% federal reimbursement of \$169,372 and the 12.5% of state reimbursement of \$28,229. Chris worked on this for quite a while and would be willing to come back to a meeting to explain, if needed. The second one was the purchase orders process. It has improved significantly in this area and will continue. This basically says that to make sure everything is signed in the proper place and that the purchase order is in place before the invoice. Tom said the problem with the FEMA on PW1423 originally called for a stem wall to be built from the entrance of parking lot to low water crossing at the falls. That was the original request from the City. Johnson Construction started working on an area that was damaged and shortly after he came back, a litigation representative from FEMA came down and said that was not right. We only pay for what was damaged. So, we are going to revise it. Council signed off and we had to rebid the job and do the rip rap, along with the stem wall. Once that was done, we submitted the paperwork to FEMA but failed to do the paperwork on Johnson Construction on the stem wall. The auditors caught it and since then we have submitted paperwork requesting FEMA to review it and see if they would go ahead and process it. Not only did we fail to turn in the paperwork for Johnson Construction, in original project, there was \$124,713 that FEMA said they was going to pay the City for overseeing this project. They never paid that either. So, we have asked them to look all of it over. We sent paperwork on June 13th. It is a long process, if you have ever worked with FEMA so it will take a while to hear back from them. FEMA also always comes and does a final inspection, in which they did not after this was all done. So, we're trying to figure out if they closed it, if you have, if they would be willing to reconsider the price, we mailed into them. We are trying but no guarantee. They are working with a gentleman named Michael Teague, who according to him, have not done a final inspection. They usually come and do final inspection before they send you money, but they failed to this time. Clint asked who was over it because that was a significant amount of money to be not keeping up with the budget, we should have seen that before it even had an audit. Billy said he was the one and that it got dropped into his lap since he came here afterwards but he was the one at the end of it. Tom said when you have a natural disaster, FEMA will pay 75% and State Emergency Management will pay 12.5% and the City is responsible for the rest of the other 12.5%.

Clint asked wouldn't the monthly reconciliation of these accounts find this prior to it. Tom said you never know when you're going to get the money, but we did get quiet a bit of it. Clint said once the monthly reconciliation shouldn't have shown loss of money because its transferred one to another, correct. Tom said no it's not transferred; it goes into the grant fund. Clint said when talking about 3rd Street project fund, you said there was an account that had reimbursement from FEMA that had around \$600,000+ in it. Tom said that was the money we got back. Clint said it's not showing here we got the \$600,000+ in it does it. Tom said at that time it was the Street Fund that had that. Clint said someone asked where that money came from and you said it was from FEMA. Tom said he didn't remember saying that. Tom said when the money came in from FEMA, it went to the grant fund. Turner Falls paid for every repair. The Council agreed for Turner Falls pays for all of it because they had the money and with the FEMA money, they said it could be used for other things. Tom also said on the other part that Shelly talked about on the purchase orders, 95 % of that was his fault. He has a bad habit while being in his truck and calling someone to do some work and when he gets back to town, he forgets to tell Cheryl to do a purchase order on it. He asked everyone else to do it correctly, so he must fix himself to do it correctly.

7. Tabled till July's regular Council Meeting for entering into an agreement with the State Auditor to perform and investigate financial records of the City of Davis and Davis Municipal Authority pursuant to 74 O.S. Section 227.8. Tom said per your request, you asked him to talk to state auditors and get some answers. He spoke with them regarding this and they want to know what they are looking for, need specific direction. It will start at \$5,000 and will go for however long it takes to do the audit. If you agree to it, he will have to get a copy of the minutes, a written letter and submit to them and they will do it. They will come down to talk to him and each one of you and go from there. Stan asked if they would speak to them on the phone. Tom said they took his and answered some questions, as well as our newspaper owner, Alisha. Councilmen agreed upon leaving it up to the citizens to do a petition.
8. Adjourn. Jones made motion to adjourn. Second by Oakley. Vote: Oakley, yes, Grinstead, yes, Jones, yes, Davis, yes.
Time: 7:40 P.M.

ATTEST:

Cheryl Dodds, City Clerk

Brian Davis, Mayor