

City of Elk Run Heights
Special Council Meeting
Eddis Winstead Council Chambers
October 30, 2019 – 6:00 p.m.

Mayor Swope called the meeting to order at 6:00 pm. All present recited the pledge of Allegiance. Roll call of Council Members: Present –Ratchford, Wilson, Bass, Schellhorn and Smock. Quorum present. Ratchford/Wilson to approve the October 30, 2019 agenda. Ayes–5. Motion carried

Ratchford/Schellhorn to approve resolution 2973 approving compensation Brian Wirtz for Code Enforcement. Councilor Bass asked what exactly this is for, why is it coming about now, has he not been doing this all along. Mayor Swope explained this is in addition to his Building Inspection responsibilities. Bass questioned when this began, and why it is just coming to the table. City Clerk Eastman responded that although he has been performing these duties for a few years, the previous clerk did not do a resolution to set compensation for this position. Bass questioned if Inspector Wirtz was a City employee who receives benefits. City Clerk Eastman stated he does get paid through payroll and does receive Ipers. Bass stated he was under the impression he was hired as an independent contractor. Eastman stated she would go back to his time of hire and look for the documentation. Roll call vote: Ayes-Five.

Ratchford/Wilson to approve request from City Clerk to hire Lori Stansberry with Stansberry Accounting to assist with accounting functions and procedures. City Clerk Eastman stated she would like to have the assistance of Lori Stansberry with getting General Ledger accounts in order, coming up with a reporting system and being sure all the audit items are handled correctly. In addition, we would be able to use her as a third party to review our monthly reports to avoid any of the types of errors that are listed on the audit. The majority of her services can be done electronically and over email, but she may need to come to the office at least one time; she will be hired as an independent contractor at \$20.00 per hour. Councilor Wilson asked what kind of time frame we would need her services. Eastman responded she did not know an exact time frame for the services. Councilor Ratchford stated we need to get things in order. Councilor Smock pointed out that this would be good idea for handling the items on the audit. Roll call vote: Ayes-Five.

Ratchford/Smock to approve Fiscal Year 2019 Audit. City Attorney Prendergast stated she has reviewed this audit and there are a number of financial concerns related to policies and practice that appear to have been in place for a while. It's a thorough, great audit and has no issues with the findings by the auditor. We have a duty to do our best to meet the recommendations that are stated therein. We are thankful for the work the auditor did and look forward to solving all the recommendations and findings so that we are following the state protocols and do not have issues with failure to withhold taxes and accounting issues. Prendergast continued to state there are a few findings that are usual for small towns and can not be avoided, but there are some big ones like not paying federal and state taxes on the stipends, the over payment of \$529.84 in wages and a \$10.00 purchase of women's clothing on the credit card, which have been paid back as of October 23rd. Councilor Ratchford stated that since the previous clerk repaid those funds, she is now stating the City owes her money for shorted wages. Prendergast responded they have not received any such request of that formally, but if she chooses to do so she would do that with the auditor. Councilor Bass then asked how she knew so quickly about the overpayment and purchases. Prendergast responded she has no way to know, and it would be speculation to assume. Ratchford stated that this audit was only for FY19 and they would have liked to have seen it go back for several years, but

the cost was too high. A resident then asked as a taxpayer, what are we going to do about the overpayment. It was agreed that the repayment of the funds is adequate and at this time no further action will be taken. Mayor Swope asked Prendergast where we should go with the taxes that weren't paid on the stipends. She responded she would like the City Clerk to talk to the auditor about our next steps with that process. Ratchford asked if the City could be penalized for the nonpayment of those taxes. Prendergast responded yes; we could be assessed from the Department of Revenue for those taxes. Prendergast stated it is her recommendation that we approve this audit and follow the recommendations given by the State. Roll call vote: Ayes-Five.

Discussion/Possible Action: Geotechnical Services for the Wastewater Treatment Plant. Mayor Swope stated we have four choices, and Cedar Valley Testing was the lowest bid. City Attorney Prendergast pointed out the price gap in the bids noting that Cedar Valley Testing is almost half the cost and asked if anyone investigated this. City Clerk Eastman responded she had questioned Justin Robinson with MSA right away when the quotes were received, and he said he has worked with them and would recommend using them for this project. Swope pointed out that Raymond has already chosen this company and it is very important to get this approved tonight due to time constraints. Ayes-5. Motion carried

Discussion: Health Insurance Rates raised. City Clerk Eastman informed council the health insurance rates will be increasing by 4.13% and dental by 6.64%. Councilor Smock asked if Eastman about the percentage for family rates. Eastman responded that she has been unable to locate anything in the minutes regarding that.

Mayor/Council reports: Mayor Swope told Council there will be at WWTP meeting November 14th at 6:00. Councilor Smock asked where we are at with the sump pump process. It was agreed to contact Nancy with the City of Raymond for a copy of their letter they sent to residents. Smock pointed out we want to get this process started in January. City Clerk mentioned she has gotten back part of the Code book and we will need to start the review of these questions/changes. City Attorney Prendergast pointed out it would be a good idea to add a couple items per agenda and review at meetings rather than having a workshop.

Ratchford/Bass to adjourn at 6:45. Ayes-Five. Motion carried.

Attest:

Tim Swope, Sr., Mayor

Julie Eastman, City Clerk