

**READING CITY COUNCIL
REGULAR MEETING
TUESDAY, November 12, 2019
READING CITY HALL**

MEETING CALLED TO ORDER BY MAYOR MATTHEWS AT 6:30 P.M.

ROLL CALL: Matz, Matthews, Penney. Excused Briggs, Matthews moved, Penney seconded to excuse George. Cheryl King, Deputy Clerk/Treasurer and Kimberly Blythe, City Manager/Clerk/Treasurer also present

GUESTS: Lacey George, Larry Daglow, Sgt. Rob Cooley

PLEDGE TO ALLEGIANCE

Approval of Minutes

-Penney moved, Matz seconded to approve the minutes from the Regular Meeting of October 8, 2019. Motion Carried (3-0)

Financial Reports

-Matz moved, Matthews seconded to accept the financial reports as presented. Motion Carried (3-0)

Payment of Operating Bills

-Penney moved, Matz seconded to pay the operating bills in the amount of \$59,271.43 drawn from the proper accounts.

ROLL CALL VOTE: Yeas- Matz, Matthews, Penney Nays- None; Motion Carried (3-0)

Consent Agenda

-Penney moved, Matz seconded to accept the Consent Agenda as presented.

Motion Carried (3-0)

Guest: Donna Hecht – CHB&W – Presented the 2018/2019 Audit

-Mrs. Hecht explained why an audit was necessary as well as the objectives of an audit. Financial Highlights included that the General Fund Balance decreased by \$75,201, and that the remaining balance of \$557,598 would cover approximately 18 months of operating expenses. She also went on to state that the Major Street Fund Balance increased \$3684.00 and the Local Street decreased by \$8376.00.

She also stated that the Sewer Fund had a net loss of \$14,809, due to interest and debt expense on USDA Loan(s); however, the Water Fund had an increase of \$10,313. She stated that the Fund Balance for TIFA increased by \$39,016 due to sale of land and increase in property tax revenue. Also, it was noted that the City received an Unqualified Opinion on the Audit, which is the highest opinion, as well as there were not any non-compliance issues.

FIRST CALL TO PUBLIC:

-Larry Daglow inquiring about Pavilion materials.

OLD BUSINESS/Ongoing Business:

International Property Maintenance Code- Update

Penney recommended going with 2018 version as revised and edited per discussion and comments over the past several months. Mayor Matthews tabled until December 2019 meeting

NEW BUSINESS:

-Penney moved Matz seconded to accept the 2018/2019 Audited Financial Statements from CHB&W. Motion carried (3-0).

-Matthews moved, Penney seconded to accept the Corrective Action Plan (CAP) in regards to the 2018/2019 Audit Findings, as presented. Motion Carried (3-0)

The Audit Findings were as follows: 2019-1 Financial Statement Preparation (same as previous years) The City will continue to monitor and evaluate the cost vs. benefit of the preparation of financial statements in accordance with

GAAP. Also, the City will make sure to carefully review the draft financial statements and notes prior to approving them and accept responsibility for their content. 2019-2 Lack of Segregation of Duties-Management has considered the costs of implementing additional internal controls and moved a part-time staff person to full time as of July 1st and will continue to separate job functions as much as possible. This City will now have one part time and two full time staff, which will still make it difficult to segregate all duties, but the City will continue to monitor this and segregate when possible. 2019-3 Balance Sheets out of Balance. The City is currently looking at all possible avenues as to why the funds may be out of balance as well as working with the software vendor to correct any issues in the setup. 2019-4 Bank Reconciliations -Common Checking-The City currently has eight funds that share a common bank account. Monthly bank reconciliations for the common checking account are being performed. The common checking account has activity such as deposits, check writing as well as automatic payments and debits and credits that may have timing issues as to when they are auto deducted from the bank account. Different individuals are performing duties such as posting deposits and AP checks in the accounting system, Management has begun implementing responsibility back to the staff that is performing individual tasks, such as AP Checks, auto deducts and deposits. Those individuals will be responsible for reconciling their individual tasks, prior to the Treasurer reconciling bank statements. Each staff member will be responsible for noting any postings that were posted to the wrong month as well as ensuring that all electronic payments are accounted for prior to applying them to the accounting software.

-Matthews moved, Penney seconded to approve the agreement option #2 with the Hillsdale County Equalization & Land Information Department for a three-year period beginning January 1, 2020 and ending December 31, 2022.

ROLL CALL VOTE: Yeas- Matz, Matthews, Penney; Nays-None Motion Carried (3-0)

-Penney moved, Matz seconded to give conditional approval to the City Manager to work with BakerTilly to move forward to gather the necessary information for a potential buyer and market the bonds with help from the bonding attorney and placement agent to pursue refunding possibilities for the Water/Sewer Loans.

ROLL CALL VOTE: Yeas – Matz, Matthews, Penney; Nays – None Motion Carried (3-0)

-Penney moved Matz seconded to waive the interest and penalty of the 2019 Winter Tax Bills between February 15, 2020 and March 2, 2020. Motion Carried (3-0)

-Matz moved Matthews seconded to approve the live nativity scene during the “Old Fashioned Christmas” on December 6th & 7th. Matthews stated to make sure animals are taken care of. Motion carried (3-0)

-Penney moved Matz seconded to approve a monetary Christmas gift to 10 city employees for \$216.57.

ROLL CALL VOTE: Yeas – Matz, Matthews, Penney; Nays – None Motion Carried (3-0)

-Penney moved Matz seconded to appoint Lacey George to the TIFA Board. Motion Carried (3-0)

-Matz moved Matthews seconded to move December Council meeting to Wednesday, December 11, at 7:00 pm. Motion carried (3-0)

OTHER:

-Waiting on USDA for arrival of new Police Car and House at 324 N. Main is sold.

SECOND CALL TO PUBLIC: None

ADJOURNMENT:

-Penney moved, Matz seconded to adjourn the Meeting. Motion Carried (3-0)

Meeting was adjourned at 7:30 pm.

Next meeting will be Wednesday, December 11, 2019 at 7:00 pm in Council Chambers.

Respectfully Submitted,
Cheryl King, Deputy Clerk /Treasurer