

**REGULAR CALLED MEETING
BOARD OF DIRECTORS**

**Boardroom
MEMBERS:**

December 3rd, 2009

6:00 P.M.

OTHERS:

Brenda Hagerich, *Ward 1*
Don Hager, *Ward 2(absent)*
Deidra Baldwin, *Ward 3(absent)*
Anthony Owen, *Ward 5(absent)*
James Calhoun, *Director At Large*
Ann Sanders, *Vice-Mayor Ward 4*
C. T. Hollingshead, *Mayor*

Jimmy Bolt, *City Manager*
Rendi Currey, *City Clerk*
Joe Phelps, *Press*

(See attached list)

CALL TO ORDER

Mayor Hollingshead called the meeting to order at 6:00 p.m.

INVOCATION

Director Calhoun

APPROVAL OF MINUTES

Director Calhoun made the motion seconded by Vice Mayor Sanders to approve the November 19th, 2009 regular called meeting as presented. **The motion passed on a roll call vote. The vote was as follows:**

Brenda Hagerich
Ann Sanders

“Aye”
“Aye”

James Calhoun
Mayor Hollingshead

“Aye”
“Aye”

REVIEW OF THE 2007 AUDIT REPORT

The 2007 Audit has been closed and the findings are as follows:

The first finding is segregation of duties. The city does not plan on hiring more employees to meet this requirement but we should look for ways to improve. In the audit report staff responded that “.....that their offices will segregate the dutiesto the extent possible with the current staffing levels.” Staff is working with our accounting firm software vendor to change accounting software rules so that the one entering data cannot change their own entries in the ledger. This change will not result in compliance but it does move us in the correct direction in regards to the segregation of duties.

The second finding was that the City Manager did not pass an ordinance approving short-term financing. While he did get board approval he did not have an ordinance adopted for this action. He has corrected this procedure, and the city has utilized ordinances since 2007.

The third findings have to do with the Treasurer’s office and consist of two main issues. First is our inability to get the banks to meet state codes in regards to our accounts: The failure to secure proper images on the back of the checks and the failure to secure collateralization. Staff is working with the banks to correct this and recommend changing bank(s) if they do not wish to comply. The second issue is reconciling and is a more complex issue: The statements are balanced but we have funds inside of multiple accounts that are unaccounted for resulting in accounts that cannot be reconciled. Staff is working to correct this issue and will utilize an accounting firm to assist us. The next part of this issue is how we close the year out and account for funds received at the end of the year. Staff is working to correct this by establishing written procedures to insure that funds are deposited in the same year they are receipted.

On page eight is the cash balance sheet, page nine and ten speak to the receipts and disbursements and changes in fund balances. Please note the last two lines where the general fund yearend balance increased by over \$400,000. Pages nine and ten add in the budget for comparison and to insure that we do not budget to spend more than we collect. Supporting Schedules and Supplementary Information complete the balance of the report.

Staff is working hard and working to become more educated in state code to insure audit compliance. While I am sure we will always have to deal with human error and faults we should strive to minimize anyone's ability to defraud the city, I believe we have accomplished that. I would expect to see the same findings for Treasurer in the 2008 audit and we are working to correct these issues with help from an accountant. I believe it will take board action to approve and document the corrections to accounts not reconciled because the lack of records from many years past. In closing staff recommends that the Board of Directors adopt the above action recommendations to each of the findings above as those of the Board. Director Calhoun made the motion seconded by Director Hagerich to adopt the actions made to each of the findings of the 2007 audit. **The motion passed unanimously on a roll call vote.**

CONSIDER 2010 PROPOSED BUDGET RESOLUTION

Mr. Bolt presented the proposed 2010 budget during the last meeting. With no questions from the Board, Director Calhoun made the motion seconded by Vice Mayor Sanders to adopt the 2010 Budget Resolution. **The motion passed unanimously on a roll call vote.**

CONSIDER ORDINANCE ANNEXING LAND TO THE CITY OF ARKADELPHIA

All of the property owners signed a petition for annexation and filed it with the County Clerk of Clark County. All necessary steps have been taken to annex this land to the City of Arkadelphia and the final step is the adoption of the ordinance. Director Calhoun made the motion seconded by Vice Mayor Sanders to place the ordinance on its first reading. **The motion passed unanimously on a roll call vote.**

The Mayor called for the Clerk to read the ordinance in its entirety:

AN ORDINANCE ACCEPTING THE ANNEXATION OF CERTAIN TERRITORY, GENERALLY DESCRIBED AS PART OF THE SW ¼ OF SECTION 6 AND THE NW ¼ AND NE ¼ OF SECTION 7, ALL IN TOWNSHIP 7 SOUTH, RANGE 19 WEST, TO THE CITY OF ARKADELPHIA, ARKANSAS, AND MAKING THE SAME A PART OF THE CITY OF ARKADELPHIA, AND ASSIGNING SAME TO WARDS.

Director Calhoun made the motion seconded by Director Hagerich to place the ordinance on its second reading title only in the next regular meeting. **The motion passed unanimously on a roll call vote.**

CITY MANAGERS REPORT

- I enjoyed attending the Christmas parade this evening and want to thank everyone involved with this event.
- I want to encourage the community to take advantage of youth activities at Recreation Center this Friday evening from 4:30 until 10:00. After parents have gone shopping I would like to encourage them to bring presents back to the center because the Arkadelphia Relay for Life team (City Slickers) will be present to wrap gifts for a small fee as one of their fundraisers.
- I attended the CCSP steering committee meeting today. The sub committees are continuing to work on projects to assist our community.

- I want to thank David Thigpen for heading up an effort for continuing the development of girl's softball.
- Staff continues to work on improving the Amtrak waiting room. We are working with their representatives to improve the waiting area and to find caretakers.
- The annual employee Christmas luncheon will be noon Tuesday December 8th at the Recreation Center. I would like to encourage the Board member to attend that day.
- Last televised meeting of the year ---Wish everyone a Merry Christmas and a Happy New Year.

ROUTINE BUSINESS

Brenda Hagerich-Announced that Henderson's commencement ceremonies will be December 18th. She stated that the Historical Society has Christmas ornaments for sell at the Historical Museum get out and support the Historical Society by purchasing one. She also wished everyone a Merry Christmas and a Happy New Year.

James Calhoun-Enjoyed the Christmas parade he really appreciated Street Superintendent, Kenny Myers on their sweeper entry. He also wished everyone a Merry Christmas and a Happy New Year.

Ann Sanders-She inquired about the sales tax money from the economic tax. She would like that representative to come before the Board and give a report. Ms. Hagerich concurred.

C. T. Hollingshead-He insured Vice Mayor Sanders and Director Hagerich that we could get a report from the Alliance due to the fact that the city funds that group. He also wished everyone a Merry Christmas and a Happy New Year.

ADJOURNMENT

There being no more business to discuss, Vice Mayor Sanders made the motion seconded by Director Hager to adjourn. **The motion passed unanimously and the meeting adjourned at 6:55 p.m.**

C. T. Hollingshead, Mayor

Rendi Currey, City Clerk

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Dorinda Suitor
Glen Beedle