

**MINUTES OF THE
REGULAR COUNCIL MEETING
CITY OF AUSTELL
CITY HALL BUILDING
MONDAY, OCTOBER 7, 2019**

Present:

Mayor Ollie Clemons
Valerie Anderson
Sandra Leverette
Marlin Lamar
Randy Green

Absent: Scott Thomas

Also present were: Scott Kimbrough, City Attorney; Denise Soesbee, Finance Director; Bo Garrison, Public Works Director; Jim Graham, Community Development Director; Brandon Merritt, Assistant Fire Chief; Bob Starrett, Police Chief; and Elizabeth Young, City Clerk

1. CALL TO ORDER

Mayor Clemons called the meeting to order and Pastor John Bailey gave the Invocation and Mayor Clemons led the Pledge of Allegiance. Mayor Clemons asked if anyone needed to add items to the agenda. No one had items to add. Mayor Clemons asked Christina Hood to come forward. He stated she has been with the city for 15 years & thanked her for her hard work and dedication. He presented her with a plaque & pin. Mayor Clemons asked Edward Reeves to come forward. He stated he has been with the city for 5 years and thanked him for his hard work & dedication. He presented him with a pin.

2. CONSENT AGENDA – INFORMATION AND UPDATE

(No Action Required by Council – See Specific Department Director before a Meeting.)

3. CONSENT AGENDA

- A. Approve Bills
- B. Approve Legal Bills \$4,167.50
- C. Approve Minutes of Regular Council Meeting September 9, 2019

Mrs. Anderson moved to follow the recommendation of Mayor Clemons to approve the Consent Agenda. Seconded by Mrs. Leverette. Motion passed (4-0).

4. EXCEPTION TO CONSENT AGENDA

5. CITIZENS REPORT

Mr. Chris D'Jonis came forward to speak to the council. Mr. D'Jonis stated he is here as a tax payer & concerned citizen & asked if everyone could hold their questions until the end. He stated as a tax payer & concerned citizen who is running for the Mayors position, I have some questions and concerns regarding how the city was managed in the last few years.

1. In accordance with the Government Auditing Standards in the last 3 audits, James Whitaker as certified auditor and public accountant hired by the City of Austell & paid by our tax dollars, pointed out several significant deficiency's in the city's accounting and he specifically mentioned of errors, broken state laws, & even fraud. What errors & fraud is he referring to & how was this situation allowed to go on for at least 2 consecutive years if not longer? Who's accountable for what happened the last 2 years & who is safe guarding the city from errors, broken laws & fraud right now?
2. The auditor concluded that the city's community council fund incurred expenses that maturely exceeded its respective appropriations. He also pointed out that according to the state of Georgia Department of Audit exceeding a department expense over its appropriations is a violation of state law. Has the city's finance director ever bothered to explain why a state law was broken repeatedly? Was anyone reprimanded over this? Did the council know, if so, why have they allowed for the state law to be broken repeatedly?
3. According to the auditor, the city sanitation fund had a negative balance at year end of approximately \$17,000, \$53,000, \$63,000, & \$93, 000 before the years 2015-2018 respectively. The auditor concluded that the sanitation contractor charged the city for more people than the city has as customers. If so, that means either the sanitation contractor charged for more customers than the city has, or the city year after year failed to invoice everyone. So, which one is it & has this problem been corrected or are we to expect the negative balance again for 2019?
4. According to the auditor in 2016, \$750,000 was missing from the SPLOST funds account and an adjustment to the books had to be made for those not aware. SPLOST funds are supposed to be paying for items approved only by the voters under the appropriate SPLOST referendum. So, what happened to the missing funds? Are SPLOST transactions monitored today by an experienced accountant as the auditor recommended to ensure that the funds are appropriately used under the related SPLOST referendum? If so, who's the designated person and are they properly trained or qualified for that?
5. According to the audit in 2016 the city accidentally overpaid the water supplier by \$180,000 leaving the city's operating account in the negative by \$117,000 which resulted in several city checks to bounce afterwards with a negative balance with bank fees. How did this happen? Who's the person responsible for checking the city's bank balance on a regular basis before approving and releasing such large payments? Has the city reprimanded or replaced anyone in accounting department after that incident? Has the city collected the money back?
6. According to the auditor's report year after year, the city's management has agreed with the auditors finding and furthermore agreed to repair annual balance budgets for all government funds and agreed to monitor these budgets on a monthly basis. Since that was the auditor's recommendations year after year, why did the city do nothing

to follow the auditor's recommendations? Why so many issues labeled as errors & fraud? In the financial reports from 2015-2018, who was ultimately responsible for creating and managing these budgets in the last few years & what was the role of the city Mayor during this period? Why did these conditions persist year after year? Was this due to one's inability to manage the city properly or was there something else going on, something perhaps more reprehensible? How could the city year after year fail to meet state requirements & ultimately broke a state law? Have we done anything in 2019 to meet these states requirements & to prevent more errors & fraud or is the upcoming audit for 2019 will be more of the same? What is the city's attorneys' position on all above matters? I must say after looking at these reports which are made public to the people, I must say it seems that there has been no captain on this ship for quite some time. Does anyone care to respond on any of these questions? With that being said I yield my time back to the council.

Mayor Clemons thanked Mr. D'Jonis for his comments. He stated since you did lead to the city attorney, I will turn this over to him to answer the questions you have for him & I'll also give time to our finance director to answer some of the questions you have asked. Mayor Clemons stated these findings and reports are something that obviously you did find from open request and it was something that was pulled some months ago & reported in the paper, so it's news we did deal with at that time. We had discussion about it & there were some of the issues as it related to the findings. The findings are something that are part of some audit reports regularly & the findings from that to this time, our auditor said that they were better then at that time from those that you found & then they are even better now. So, what you have found then is not the case at this point. I'll yield to our attorney and let him respond to what you have asked him.

Mr. Kimbrough stated as the auditor conducts his audit & then issues his findings, reactions are made to things that need to be addressed, things that need to be changed, things that need to be amended, updates on the budget, the city for as long as I have been here since 2003-2004 has done a very good job of making their corrections that need to be made. I know the past what made it in the paper a couple of months ago, there was some large discrepancies & I know that we discussed that & part of that was due to changing a computer system, that has been that has been putting those numbers together & compiling those. Mr. D'Jonis stated is it fair, computer or no computer, whoever does the accounting. Mr. Kimbrough stated you asked me a question and I am responding. Mr. Kimbrough stated part of that was because of the adjustments that needed to be made with a new computer system coming on board. But what I do know about the city is that the City of Austell under Joe Jerkins for many, many years & now under direction of Mayor Clemons, is probably in the best financial shape, I would put it up against any city in the state of Georgia. With the aquity that we have, the insurance ratings that we always get, with the assistance of everyone at the Fire Dept. that does all of their job to assist with getting the good insurance rates & fiscally we have always been a very sound city, have always had a lot of additional funds available through the railroad funds. We have been able to pay down & pay off bonds prior to the debt schedule. I believe we are debt free as far as

the bonds are concerned at this time, a position that the Austell Gas System shares as well. Very sound financially, that is recognized not just by us but by the outside world & the ratings that we are given with the insurance companies. Are there hiccups along the way, sure & there always have been & always will be & that's going to be the same with any municipality, any county, but we are & have been in very good financial position for many years as far as I know & I've been doing this for 15-16 years now. So as these things come up from the auditors & that's the reason that the auditors do their reports, that's the reason they are required, is to make sure that everything is in place & as they present issues we react & I know Denise Soesbee does a very good job of following up on all of those things. As Mayor Clemons said a moment ago, we have followed up on the issues that were brought to a head several months ago & many of those issues, we are in a much better position now. I don't have exact numbers to give to you, but I know that many of those issues we are in a much better position now because of the adjustments that were made & that were necessary & that were required by the auditor's report. Mr. D'Jonis stated what your telling me sounds all honky dory, but does this excuse the city for breaking the law? What your telling me sounds life fluff with all due respect, this doesn't sound like a concrete answer. What we did here is the city broke the law, yes? That's what the findings show here in the accounting paperwork. So, what excuse do you have that justifies this? That's what I'm asking. Mayor Clemons stated there is no excuse for you to justify the report that was given. I can tell you what contributed to some of the errors that were in the report, where some employees that are no longer with us, so some of that was corrected by that & from those reports they were not indicating fraud they were indicating the possibility of. I'll allow Ms. Soesbee, our Finance Director, to address some of those concerns that you have as well. She is more intimately aware of some of the things that you addressed.

Ms. Soesbee stated first I want to make a distinction between the audit report and the management report. The management letter is an internal document that is meant specifically for management to identify any deficiencies that we may have as far as making the processes better so that we would be able to report fraud in a timely manner. So, the audit report, the financials are fairly stated, I just want to make that distinction that we are looking at 2 different reports. The budget amendment as far as those items, they have been corrected and there have been no new findings as far as 2018 & we are getting ready to come up to an audit for 2019 in a couple of weeks. Our auditor has been open to questions, he has been expecting calls, so if you have specific questions regarding the findings, he's the one that wrote them, feel free to contact him as well. They have all been addressed, processes & everything. Mr. D'Jonis asked Ms. Soesbee if this was the report she was talking about. Ms. Soesbee stated correct. Ms. Soesbee stated it is not the audit. Mr. D'Jonis stated it says here required reports in accordance with government auditing standards for the year end 2013 & I am just going by what it says here, errors & fraud occurred without being identified in a timely manner. Ms. Soesbee stated it says could occur. Mr. D'Jonis stated it doesn't say could. It says errors & fraud occur without being identified within a timely manner, that's what it says. Ms. Soesbee stated, that's what I said, what this is, is its basically telling us where the deficiencies are & so where the

deficiencies are, these are places we need to pay attention to in order to identify fraud in a timely manner. The auditor can clarify this language as well. Mr. D'Jonis stated how do I get the actual copy of it since this is not the correct document. Ms. Soesbee stated that is a document in conjunction with this, that is an internal document & this is the actual audit. Mr. D'Jonis stated he would like to get a copy of that if he could. Ms. Soesbee stated it is linked on our website. Mr. D'Jonis stated does anybody know what happened to SPLOST funds of \$750,000 that is missing. Ms. Soesbee stated that is incorrect. There were no funds missing. What that means is it was in one specific general ledger account & needed to be moved to another account. Mr. D'Jonis stated it sounds like money is just moved around just because. Ms. Soesbee stated it was miscoded & that has to do with the people that were in place at the time. Mr. D'Jonis stated we will get to the bottom of it I'm sure & that's why there are more papers that I need to look at. Mr. D'Jonis thanked the Mayor & Council.

Mayor Clemons asked if there was anyone else that would like to speak to the council this evening. Mr. Joel Gibbs came forward. Mr. Gibbs stated he grew up over here on Spring Street. We're fixing to have a fruit basket turnover in the City of Austell. Because so many of our former elected people are retiring out & everybody knows that. I just hope those that are coming in will come in with no agenda & take time to look at what's happening with an open heart & an open mind & think about the people that have worked so hard & so diligently for the last 60-70 years to put this stuff together. He stated you hit the nail on the head, the City of Austell is in great shape. The money is here. I know about 3 things, real estate, used cars & finance. And the City of Austell has done well. Jim Graham has supported people in the middle of the night, I know because I got him up. Bob Starrett, another one, Bob is here everyday & if you need him you can call on him. Ollie, you have been here, Marlin, Randy, Valerie, all y'all, we don't have a bad apple in this group. But this sense in the air that I am feeling of somebody's got a little attitude about whatever, forget whatever's happened in the past, build on what we got for the future & go forward, take that rear view mirror off the windshield & throw it out the window because we don't need to look back, all of you. Thank you for your service, thank you for being here. Mr. Gibbs asked Sgt. Sfredo how long he had been here. Sgt. Sfredo stated 32 years. Mr. Gibbs stated he could have gone to work anywhere. Greg you come from Douglas or Cobb to here. Right there is 3 officers who didn't have to be here. Joe Jerkins is a horse's butt, but he's our horses butt & I love him. He & I stood back here one day & argued so loud the girls at the front counter got out here by the front door, they thought we was fixing to fight. But Joe followed me over to see what the problem was & he said I had no idea. No, I hadn't been to see it. So, y'all remember that, Joel Gibbs said Joe Jerkins is a horse's tail, but he's ours, & he saved money & he's built this city, we in good shape & I'm thankful for it. Thank y'all for your service, take care. Mayor Clemons stated & Joel is right we are in good shape.

6. GAS SYSTEM REPRESENTATIVE

OLLIE CLEMONS, MAYOR

Mr. Kimbrough stated normal business was tended to adopting the gas rate schedule for this billing period. Gas prices are flat, and the gas company is getting ready for winter.

7. FINANCE DEPARTMENT

OLLIE CLEMONS, CHAIRPERSON

Denise Soesbee, Finance Director

A. Financial Report

B. Information Only-Replacement of Windows of 7 to Windows 10 for the City Effective January 1, 2020, Microsoft Windows 7 will no longer be supported. As a result, the City will be replacing & upgrading our existing inventory. These upgrades will be completed in stages starting with City Hall & the Finance Department, followed by Public Safety, Community Affairs & then Public Works. Sophicity, our IT provider, has developed a “roadmap” to follow for the implementation of this project.

A. The first stage of the project will be the Finance Department at \$14,786.95 (\$11,642.95 equipment & \$3,144.00 labor). Total cost for the entire City is estimated at \$35,000. Servers will be charged to 100-1565-54-2400 & individual work stations will be charged to each department’s computer expense account. This money was already budgeted for the computer upgrades, so we don’t need a vote to be taken.

8. GENERAL ADMINISTRATION

SANDRA LEVERETTE, CHAIRPERSON

Elizabeth Young, Director

A. No Report

Mrs. Leverette thanked Mr. Garrison & his staff for picking up trash cans on Saturday.

9. POLICE DEPARTMENT

RANDY GREEN, CHAIRPERSON

Bob Starrett, Police Chief

A. Police Report

10. FIRE DEPARTMENT

MARLIN LAMAR, CHAIRPERSON

Pat Maxwell, Fire Chief

A. Fire Report

11. PUBLIC WORKS DEPARTMENT

VALERIE ANDERSON, CHAIRPERSON

Bo Garrison, Director

- A. ADA Walkways at Threadmill Complex-Worsham Contracting, Inc.
It is the recommendation of the Public Works Committee to approve Worsham Contracting Inc. as the lowest bidder for ADA Walkways at Threadmill Complex.

The total of \$13,850.00 will be paid of S.P.L.O.T.S. funds.

Mr. Lamar made a motion to approve the walkways at the Threadmill Complex. Seconded by Mrs. Leverette. Motion passed. (4-0)

- B. Milling & Paving Center Street
It is the recommendation of the Public Works Committee to approve PKS Paving & Concrete Construction as the lowest bidder for Milling and Paving Center Street.

The total of \$39,900.00 will be paid of LMIG funds.

Mrs. Anderson made a motion to approve the paving on Center Street. Seconded by Mrs. Leverette. Motion passed. (4-0)

- C. Milling & Paving Austell Ave.
It is the recommendation of the Public Works Committee to approve PKS Paving & Concrete Construction as the lowest bidder for Milling and Paving Austell Ave.

The total of \$49,800.00 will be paid of LMIG funds.

Mrs. Anderson made a motion to approve the paving on Austell Ave. Seconded by Mrs. Leverette. Motion passed. (4-0)

12. PARKS DEPARTMENT
SCOTT THOMAS, CHAIRPERSON
Jim Graham, Director

- A. No Report

13. COMMUNITY AFFAIRS
OLLIE CLEMONS, CHAIRPERSON
Jim Graham, Director

- A. Code Enforcement Report

14. ATTORNEY, DUPREE & KIMBROUGH

- A. No Report

15. MAYOR'S REPORT

A. CMA Meeting-City of Marietta @ 6:30 pm on October 15, 2019

Gone with the Wind Museum

472 Powder Springs St., SW

Marietta, GA 30064

B. Waste Pro Update

Mayor Clemons stated many of you know that we have transitioned from Republic because we were not at a service level, so we transitioned to Waste Pro. That transition was to have occurred the last week of September for pickup. Everyone should have left their bins empty sitting at the curb once they were picked up. There were some challenges with that with our former vendor, so our Public Works Director got in behind that & got some employees together & they went around & picked them up & staged them where they should be. Bo, we thank you very much for pulling that together. We needed that to happen. We are sticking with what we voted when we voted the bid award at our last council meeting & what we voted was everyone has an option to recycle. So, if the citizens determine they don't want to recycle then they don't have to, they can use their trash bin. Waste Pro says whatever will fit in the trash bin, then they will pick up. If it exceeds the trash bin, then the citizens can buy extra bags, which we have purchased from Waste Pro for the overage at \$1.75. This is a pass-through cost that Waste Pro charges, we have bought the bags, so if you have extra trash & you have overage that won't fit in your bin, you can buy the bag. The bags are identifiable to Waste Pro, you can buy as many bags as you need in advance & you can sit it by your bin & Waste Pro will pick the bag up. If you have to make a determination if you see recycling might be in your benefit & you want to continue to recycle if you have more bags than it would cost to recycle, that's the reason why you have this overage. In our very short relationship with Waste Pro, we have had a great service at this point, they have come around & come back & check to make sure if anything has been missed that is has been picked up. We have a representative here, Hal we are so glad that you are here for Mr. Walt, thank you very much. Just wanted to be sure all of your questions are answered & that the service level is where it needs to be. Thus far we haven't had any problems & we don't anticipate having any. We made this transition because we were having trouble with our service level, but Waste Pro already has assured us & they are showing us by that, that we should not have anymore problems. We thank you again Hal & thank each & everyone for their support with that.

Mrs. Anderson stated she has a comment. This week is Public Safety Appreciation Week. I want to thank our Fire & Police Departments. You all do a phenomenal job & we appreciate you, thank you very much.

Mr. Green stated he has a question. I know you can buy the extra bags instead of buying a trash can. Is there a monthly fee if you wanted a second trash can? Mayor Clemons stated yes. If you want an extra bin, it will be \$6.17 per month.

16. ADJOURN

Mr. Green moved to follow the recommendation of Mayor Clemons to adjourn the meeting. Seconded by Mrs. Anderson. Motion passed. (4-0)

Mayor

Attest

Date