

March 29, 2018

SPECIAL MEETING

The special meeting of the Loyalton City Council was called to order by Mayor Mark Marin on March 29, 2018 at 6:00pm at the Loyalton Social Hall.

COUNCIL MEMBERS PRESENT

M. Marin, N. Rogers, J. Markum

COUNCIL MEMBERS ABSENT

None

STAFF PRESENT

T. Smith-City Clerk-City Bookkeeper

GUESTS PRESENT

M. Fleming, S. Gross, P. Jardin, D. Cussins, J. Cussins, M. Lombardi, J. Buck, K. Lombardi, T. Wiley, J. Mertton, M. Allen, O. McGarrity, R. McCollum, D. Goicoechea, V. Maddox, E. Teague, A. White, K. McCollum, Gus Donowho, K. Jordan, J. Bevins, D. Yegge, D. Russell

APPROVAL OF AGENDA

(1 attachment). N. Rogers made a motion to approve the agenda, it was seconded by J. Markum. Roll Call Vote: J. Markum-Aye, N. Rogers-Aye, M. Marin-Aye. Motion carried.

ANNOUNCEMENTS

None

PUBLIC COMMENT

1. Michelle Allen, self-proclaimed resident artist, currently residing at 606 Lewis St. presented a retainer agreement of limited representation as well as a letter from Legal Services of Northern California to the city council. The letter regarding Ms. Allen and the request for reasonable accommodations for water service at 606 Lewis St. was asked to be added to the regular agenda of the April City Council Meeting. The request was granted and the item will be added to the agenda.

DISCUSSION AND POSSIBLE ACTION ITEMS

1. Mary Fleming of Rural Communities Assistance Corporation who works with small water and wastewater utilities in 12 Western States was brought in to look at Loyalton's Water and Wastewater Financial Systems. There was concern that all Loyalton's loan payments were not going to be repaid. Mary's purpose of being here is to ensure Loyalton's sustainability of their water and wastewater systems. Mary presented a power point presentation on good internal controls within an organization. Good internal controls primary objectives are to: preserve the assets, provide reliable financial reporting, provide operational effectiveness and to comply with all applicable laws and regulations. Implementing internal controls is for the benefit of the city, the community and the city staff. There are five basic elements of an internal control system, they are: control environment, risk assessment, control activities, information & communication and monitoring. Mary went into financial reporting,

segregation of duties and budget into some depth. In conclusion of the presentation, Mary presented the steps to improving. 1) Make a commitment to make the city as sustainable as possible. 2) Assess and identify risks. 3) Document in the form of implemented policy and procedures. 4) Continue to monitor, evaluate and update. At the end of Mary's presentation she offered the audience/guests with several different pieces of published resources and at that time, she took questions and comments from the audience.

Q&A:

1. **Michelle Allen**- Does the City have a city manager? No, primary reason, no financial resources.
2. **Jackie Mertton**-Recommended a documents library for the public to avoid miscommunication.
3. **Don Russell**- Recommended having Steve Gross draft the policy and procedures then present to council? Mayor Marin stated that he has already authorized Steve and Mary to draw up a draft of the policy and procedures and return to present them to council for approval and adoption.
4. **Jan Buck**-Asked if the City will go from 3 credit cards to 4 credit cards and if there will be extra controls for the credit cards? Mary stated that there are actually less cards today then there were in the past. Joy Markum stated the 4th credit card will be used for city maintenance in emergency situations only.
5. **Kim Lombardi**-Kim stated that not all council members had credit cards as stated by Mayor Marin when he took office nor were all the credit cards within the city "maxed" out.


Steve Gross, City Attorney, who was in attendance this evening commented on Mary's presentation. Steve recommended the City Council have a discussion on where to go from here; make plans to document and adopt policies with the assistance of RCAC. The objectives of the policies should be to protect the city's assets as well as the city's employees, provide fairness, consistency and transparency within the city's day to day tasks. Start with getting a plan to set up procedures in place to develop internal controls and maybe accept some public comment.

A brief discussion amongst council, Steve Gross and Mary Fleming took place on the timely disclosure of the monthly financial reports prior to the monthly council meeting. Some council would like to have the financials disclosed earlier then they currently are (Thursday prior to the Tuesday Meeting). Mary and Steve both recommended that would not be a good idea because you want your financials as current as possible when reviewing at a council meeting.

In conclusion to the evenings special meeting, council agreed the next steps would be to first confirm the city's fidelity bonds are in place for the employees who handle cash, complete the policy & procedures and bring back to council for approval, work on segregation of duties and signoff authority.

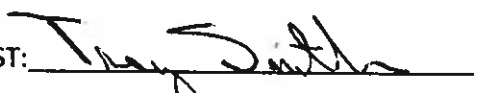
Meeting Adjourned

APPROVED: _____



Mayor Mark Marin

ATTEST: _____



Tracy Smith, City Clerk (Deputy)