

**Minutes
Avon City Council
May 10, 2022**

THE FOLLOWING MEMBERS WERE PRESENT

Jeff Manthe – Mayor, Katie Reiling, Aaron Goebel, Doug Schaefer, Jeff Meyer – City Councilors
Corey Nellis – Chief of Police, Justin Kurtz – Water Wastewater Foreman, Landon Gudim – Police Officer, Kati Jansky – Police Records, Chuck Pelkey and Josh Blommer – Public Works Technicians, Kathy Schulzetenberg – Deputy Finance Clerk, Jodi Austing-Traut, City Clerk-Administrator

Mayor Manthe called the Avon City Council meeting to order and the Pledge of Allegiance was recited.

Review and Response to Internal Controls Process

Jeff Meyer's attorney (Bill Griffith - Larkin Hoffman) and auditor (Steve McDonald - Abdo Solutions) were present along with City of Avon's attorney (Mike Couri - Couri & Ruppe) and auditor (Chris Knopik - Clifton Larson Allen).

Mayor Manthe opened by stating that he was impressed with the work of administrative staff in collecting the requested data and ensuring its completion and accuracy. While it was found that the claims approval process was generally sufficient, there was a single batch of checks that was posted to the wrong month several years ago. The council will be looking to act on that item at this meeting.

Mayor Manthe brought up an investment transfer that made up the bulk of the dollar amount in question by Jeff Meyer. City Attorney Mike Couri stated that the city has an investment policy that authorizes the city clerk/administrator to make these types of investment transfers to maximize the city's rate of return on investments. The funds remained in the city's accounts at all times and were not a "claim" against the city. Transfers of this nature do not require the approval of the city council, however if the city council would like to see documentation of such, they may choose to amend the policy.

City Attorney, Mike Couri summarized his findings. Where Jeff Meyer's accountant had stated that the council approval of claims was lacking in 74 checks totaling \$1,045,745 City Attorney Mike Couri stated that \$1,002,434 of that was the investment transfer that did not require council approval as it is not a claim against the city. Couri further explained that with regard to the electronic checks identified which date back to 2018, staff changed the EFT process several years ago in order to ensure that these items show up on the register report for council approval on a monthly basis. Couri also explained that voided and spoiled checks are not required to be approved by the city council as they are not claims against the city. The single batch of checks that was posted to the wrong month back in 2020 was the only item on the list that requires council action. Chris Knopik, of Clifton Larson Allen (CLA), the city's auditing firm, explained that he and his staff went through the entire list in order to be able to issue the city's audit. CLA tracked and traced each item, some as far back as 2013, from the actual invoice itself to the city's bank account to ensure that the intended payee received the payment and that all aspects of the transaction were recorded correctly. Knopik stated that from an auditing perspective there is no concern regarding any of the items presented.

Meyer explained that when he asked about the numbers that were out of sequence, he did not feel that the auditors followed up on the issue as he would have liked. Knopik explained that voided and spoiled checks and investment transfers are not viewed as missing checks, and that the EFT timing issue was resolved as soon as it was discovered. Kathy Schulzetenberg, Deputy Finance Clerk, explained the email that went out asking for council to let her know if they needed any further information and no one responded. Meyer claimed that he is not allowed to direct staff. City Attorney Couri stated that Meyer is allowed to email the Mayor and the Mayor will direct staff as necessary. Schulzetenberg stated that Meyer may email the Mayor and cc: her as an alternative.

Meyer's Attorney, Mr. Griffith explained that Meyer was not satisfied with the explanations and documentation provided by staff. Meyer's accountant, Mr. McDonald, explained his findings. Meyer identified 456 numbers as having a "gap in sequence". McDonald suggested that these questions could have been resolved long ago. Austing-Traut explained that they have been resolved, aside from the one batch that was posted to the wrong month for which staff provided an explanation to council within days of discovering the error. Griffith suggested that the council change the internal controls process to include footnotes on the registers if gaps in sequence are present. McDonald suggested removing the voided checks from the registers so the numbers are sequential and offered to provide instructions on how to do so should the

council wish to remove them. Goebel stated that leaving the voided claims on the check register offers additional transparency and he is not necessarily comfortable removing them from the registers.

Couri explained that the city will have incurred at least \$1,800 in legal fees and further explained the impact of public perception of these types of matters and how they are handled can indeed be damaging to the city when a council person makes a claim that something is amiss at city hall. Griffith requested that the city council as a whole exercise a greater measure of decorum.

Manthe suggested council may consider changing the council meeting dates in the future to further mitigate a timing issue created by reports being printed for packets prior to staff closing out the month.

Manthe concluded with offering appreciation to administrative staff for their exemplary work and requested a motion to approve the batch of claims that was posted to the wrong month.

Motion Aaron Goebel to approve 22 checks numbered 301487 to 301510 from May 2020 second Reiling and carried unanimously.

Hiring Committee Recommendation to Hire Public Works Foreman

Mayor Manthe gave his opinion of the interview process, candidates selected, and recommendation. Meyer asked if Candidate B had any wastewater experience. Manthe answered that the candidate does not.

Motion Katie Reiling to authorize Clerk/Administrator to make an offer for Public Works Foreman to Candidate A, as discussed by council, second Doug Schaefer and carried unanimously.

Motion Aaron to authorize Clerk/Administrator to make an offer to Candidate B for the Technician Position, as discussed by council, second Reiling and carried unanimously.

Motion Mayor Manthe in the event that Candidate B does not accept the Technician position, to authorize Clerk/Administrator to seek a Technician either by selecting a candidate from the existing candidate pool or if necessary reposting the position, second Aaron Goebel and carried unanimously.

ISSUES BY COUNCIL

Quotes for Avon Estates Park Electrical Connection were not yet available.

Adjourn

Adjourned at 8:15 pm.

Respectfully Submitted,
Jodi Austing-Traut
City Clerk/Administrator