

THE STATE OF TEXAS §
COUNTY OF ANDERSON §
CITY OF PALESTINE §

The Financial Oversight Advisory Committee convened in a Regular Meeting on Wednesday, July 11, 2018 at 2:00 p.m., in the City Hall Conference Room, 504 N. Queen Street, Palestine, Texas, with the following people present: Chairman Steve Spencer, Committee Members Steve Jenkins, Jesse George, III, Adam Harding, and Diane Davis.

Others present: City Manager Michael Hornes, City Secretary Teresa Herrera, Communications Officer Nate Smith, Interim Finance Director Mary Morgan, and Accountant Jim Mahoney.

Call to Order

With a quorum present, Chairman Spencer called the meeting to order at 2:05 p.m.

Approval of Minutes

Committee Member George made a motion, seconded by Committee Member Jenkins, to approve the June 18, 2018 minutes as presented. Upon vote, motion carried unanimously.

Board Discussion and Action

Discussion and possible action regarding bank reconciliations

Chairman Jenkins reminded the committee that the purpose of this committee is to offer recommendations for improvement; not here to audit.

Mary Morgan provided a summary of the City's finances and informed that they are working on bank reconciliations from December 2017 until present. She added that she has found a lot of problems with the past months that were reconciled. She also provided a summary of the City's banking accounts and recommended that some accounts be consolidated. Also, the processes need to be adjusted and made easier for the accounting employees.

Committee agrees that bank reconciliations are the number one priority right now. Also, new processes need to be put in place by having standard operating procedures and internal controls are needed.

Discussion and possible action regarding accounts payable

Michael Hornes provided a summary of accounts payable.

Committee agrees that the City needs to review the operation cycle, make changes, and have internal controls. Also, sales and property tax trends need to be reviewed and funds need to be set aside for unexpected expenses. Adequate training needs to be provided for Incode system and employees need to be held accountable for their work.

Committee requested the following for a future meeting: graph of all 10 City accounts for the past 10 years including fund balance, enterprise fund, water fund, sewer fund, comp time liability, and fines and forfeitures fund. This will help review operations of the city.

Date and items for next meeting

The next meeting will be on Wednesday, August 22, 2018, 2:00 p.m.

Adjourn

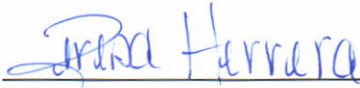
With no other business to come before the Committee, the meeting was adjourned at 3:45 p.m.

PASSED AND APPROVED THIS 22ND DAY OF AUGUST, 2018.



Steve Spencer, Chair

ATTEST:

A handwritten signature in blue ink that reads "Teresa Herrera". The signature is written in a cursive style and is positioned above a horizontal line.

Teresa Herrera, City Secretary