

CITY OF DENTON CITY COUNCIL MINUTES

December 3, 2018

After determining that a quorum was present, the City Council of the City of Denton, Texas convened in a Work Session on Monday, December 3, 2018 at 11:30 a.m. in the Council Work Session Room at City Hall.

PRESENT: Council Member Hudspeth, Council Member Briggs, Council Member Duff, Council Member Armintor, Council Member Meltzer, Mayor Pro Tem Ryan, and Mayor Watts.

ABSENT: None.

1. Work Session Reports

- A. ID 18-2015 Receive a report, hold a discussion, and give staff direction in the establishment of a governance process for the City Auditor's Department for the purpose of defining the City Auditor's authority and responsibilities for the City of Denton, Texas.

Umesh Dalal, City Auditor, stated that the internal auditor was responsible for providing the City Council and management assurances about internal controls and operating performance; developing annually a flexible internal audit plan; administering an external audit contract; management of fraud, waste, and abuse hotline; receiving complaints outside of the hotline and conducting investigations; conducting follow-up reviews for implementation of recommendations; communicating with the City Council when necessary. He stated that auditing standards required a peer review every three years of audit operation to determine if the office was following auditing standards.

Council discussion included management responsibilities; whether City Auditor's budget was reviewed by the City Manager; four Council Members had to agree for something to be placed on the audit plan.

Consensus of Council was to move forward with Dalal's recommendations.

Council Member Armintor arrived at the meeting.

- B. ID 18-2027 Receive a report, hold a discussion and give staff direction regarding an Audit of the Customer Service division of the Finance Department.

Umesh Dalal, City Auditor, stated that Customer Service collected 24% of total resources for the City, approximately \$268 million. He reviewed the findings of the audit. Overall, the Division had a good operation to effectively process the revenues billed, accounted and collected. The staff was receptive and prompt in addressing discrepancies identified by this audit.

The controls over \$32 million in cash and checks were improved due to implementation of better procedures for accessing cash and processing revenues. The computer access controls were strengthened due to segregation of duties. This change improved controls over the entire \$268 million annual collection by the Division. Formal policies and procedures would be developed that would document processes already working well. This documentation was necessary for consistent and ongoing compliance with management direction. Compliance with credit card

industry requirements was achieved, which was in progress at the beginning of the audit. Recommendations would improve efficiencies in collection of closed, delinquent accounts by timely referring them to the collection agency. This change would improve efficiency in collection function and free up staff time currently committed to collection. The audit identified more than \$1.4 million owed by five accounts that needed follow-up. Recommendation was made to pursue collection on these accounts, which may result in the City receiving a large amount of revenue.

Dalal stated that a more detailed report was included in the backup. The audit made 14 recommendations. The Division had concurred with all of them. Implementation of 11 recommendations was already completed. Two of the remaining recommendations would be implemented upon the City Council's guidance and approval. The implementation of one recommendation was in progress at the time of issuance of the report. Management responses were included after each set of recommendations in the report.

Council discussion included waiver of fees; pole attachment agreements.

Council Member Hudspeth arrived at the meeting.

- C. ID 18-2098 Receive a report, hold a discussion, and give staff direction regarding nominations and the appointment of a Member to the Board of Directors of the Denton County Transportation Authority.

Mario Canizares, Assistant City Manager, stated that the City's primary appointee to the Denton County Transportation Authority (DCTA) Board, Richard Huckaby, had resigned from his seat on the board on November 27. The City's alternate representative, Donna Bloom, had also resigned from her position in early November. With these two resignations, the City did not currently have a representative to the DCTA Board. The next Board meeting was scheduled for December 13.

Council discussed interested candidates for the primary representative and potential alternates; as well as needing more information regarding terms.

Mayor Pro Tem Ryan nominated Sara Bagheri to be the primary representative to the Board.

Council Member Meltzer stated that he was waiting for an application from Rick Woolfolk and would like to nominate him.

Canizares stated that there was an action item on the December 4 agenda.

2. Concluding Items

- A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the City Council or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about

an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

Council Member Briggs stated that the new wayfinding signs were up and asked what was being done with the older, existing signs that were located directly behind the newly installed signs.

Council Member Meltzer asked for an informal staff report on what it would take to design a study to get data on the gas well setbacks.

Council Member Hudspeth thanked everyone that helped with the Holiday Lighting and the Holiday Express.

Mayor Watts thanked Council Member Briggs for doing the welcome at the Holiday Lighting.

With no further business, the meeting was adjourned at 12:45 p.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JANE RICHARDSON
ASSISTANT CITY SECRETARY
CITY OF DENTON, TEXAS