

**RIO DELL CITY COUNCIL
SPECIAL MEETING
JANUARY 20, 2009
MINUTES**

A Special Meeting of the Rio Dell City Council was called to order at 9:07 A.M. by Mayor Woodall.

ROLL CALL: Present: Mayor Woodall, Councilmembers Dunker, Marks and Thompson

Absent: Councilmember Barsanti

Others Present City Manager Flemming, Chief of Police Hill, Finance Director Beauchaine, and City Clerk Dunham

SPECIAL MEETING MATTERS

Special Audit Services

Mayor Woodall stated that during a conference call with Justin Williams from Mann Urrutia, & Nelson, CPA's (the City auditor) it was suggested that the City Council consider engaging their services to conduct a "Special Audit" for the purpose of investigating certain findings from the annual audit.

Finance Director Beauchaine said more specifically, the auditors explained that the City Council and management had an obligation to talk with employees about information that had been brought forward by employees regarding any misconduct they had disclosed prior to the adoption of the whistle blower policy.

Beauchaine said as a result she personally revisited those employees who had expressed concerns to her prior to the whistle blower policy and compiled a written list of allegations/complaints in the form of a memo.

She further explained the auditors services would be on a time and materials basis, they would conduct necessary interviews as part of the investigation and report their findings back to the City Council.

Upon approval by the City Council to proceed, Mann, Urrutia, and Nelson, CPA's would send an engagement letter with a "not to exceed amount" for their services.

Councilmember Thompson asked if the Council agreed to solicit the services of the auditors then would the Council have the obligation to act on any wrong doing by any employee; City

Manager Flemming commented that the City Attorney would be reviewing the Whistleblower Policy to determine any potential conflict in regard to the City's grievance procedures.

Councilmember Dunker said he was concerned that although the Whistleblower Policy was a good policy it should not supersede the grievance procedures; City Manager Flemming clarified that no grievances had been filed.

Councilmember Dunker then asked if the focus of the "special audit" was to change the behavior of the public works department as a whole or target against a particular employee.

Discussion continued regarding procedures for transferring of funds between budgeted line items; Finance Director Beauchaine explained that management has the authority to move up to \$10,000 within the same department between line items; any budget transfers to another department requires a budget amendment approved by the City Council.

Councilmember Dunker asked how City Council training was identified in the audit report in regard to importance; Finance Director Beauchaine commented they feel very strongly about the importance of Council training.

Councilmember Dunker asked what would be the impact to the City without Council training and would it have an affect on future audit findings; Finance Director Beauchaine stated at this point, it is a management recommendation however it could potentially elevate to an audit finding if ignored.

Councilmember Thompson asked if there were identified categories for Council training; Finance Director Beauchaine said basically the Council members need to understand their fiscal responsibilities.

Councilmember Thompson then asked if there had been any written or verbal complaints received within departments other than the public works department; Councilmember Marks commented that the only other complaints were about the City Manager but not at this level.

Finance Director Beauchaine stated that over periods of time, employees have gone to the City Manager with verbal complaints and now that we have a Whistleblower policy in place, the employees have been given a level of safety in regard to confidentiality and protection against retaliatory actions.

City Manager Flemming stated the Council needs to talk about the scope of services and whether they want to hire a neutral party to conduct the investigation; Councilmember Marks stated the City would be better off hiring the auditors because they are aware and very informed of the situation and would perform a professional investigation.

Councilmember Thompson recommended the City Council schedule another meeting with legal counsel present before taking any action in regard to special audit services.

A special meeting was scheduled for Tuesday, January 27, 2009 at 9:00 A.M.

CLOSED SESSION

Mayor Woodall announced the Council would be adjourning to closed session to discuss: *Employment Status – Public Works Director* (leave status) and called for public comment on the matter to be discussed in closed session.

There being no public comment, the Council adjourned to closed session at 9:40 A.M.

The meeting reconvened at 10:05 A.M. Mayor Woodall announced there was no reportable action taken in closed session.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 10:07 P.M. to the January 27, 2009 special meeting.

Julie Woodall, Mayor

Attest:

Karen Dunham, City Clerk