

AARON ROCCAFORTE <i>Council Member, Place 1</i>	DAVID RUTLEDGE <i>Mayor</i> 	PATTY COLLINS <i>Council Member, Place 4</i>
MIKE REED <i>Mayor Pro-Tem / Council Member, Place 2</i>		TERRI GAUTHIER <i>Council Member, Place 5</i>
BRYANT CHAMPAGNE <i>Council Member, Place 3</i>		SHERBY DIXON <i>Council Member, Place 6</i>

CITY COUNCIL MEETING MINUTES
CITY OF BRIDGE CITY
July 18, 2023

The City Council of Bridge City met in a meeting on Tuesday, July 18, 2023, at the City Hall of Bridge City, 260 Rachal, Bridge City, Texas.

1. CALL TO ORDER

Mayor David Rutledge called the City Council meeting to order at 6:00 p.m.

CITY COUNCIL PRESENT:

Mayor David Rutledge
Mayor Pro-Tem Mike Reed
Council Member Aaron Roccaforte
Council Member Bryant Champagne
Council Member Terri Gauthier
Council Member Sherby Dixon

CITY COUNCIL ABSENT: Council Member Patty Collins

CITY STAFF PRESENT:

City Secretary Jeanie McDowell
City Attorney Paul Fukuda
Finance Director Karen Morgan
Chief Tod McDowell
Personnel/Purchasing Director Kim Tucker
Interim City Manager/Public Works Director Mike Lund
Utility Superintendent Mike Die
Community Development Coordinator Natalie Pruitt

2. INVOCATION

Following the invocation given by City Attorney Paul Fukuda.

3. PLEDGE TO THE UNITED STATES FLAG AND THE STATE OF TEXAS FLAG

Mayor Rutledge led in the pledge of allegiance to the United States flag and to the State of Texas flag. At the conclusion of the pledges, Mayor Rutledge thanked everyone for coming to the meeting.

4. APPROVAL OF THE AGENDA

Council Member Gauthier made a motion to approve the agenda, seconded by Council Member Roccaforte.

With no changes, discussion, or alterations, Mayor Rutledge called for a vote.

MOTION CARRIED.

Ayes: Mayor Rutledge, Mayor Pro-Tem Reed, Council Members Roccaforte, Champagne, Gauthier, and Dixon.

Noes: None.

Absent: Council Member Collins.

5. CITIZEN COMMENTS

None.

6. REPORTS & COMMENTS

(a) City Manager

Interim City Manager/Public Works Director Mike Lund had the following report for Council:

1. Sunnyside Well – the contractors are still waiting on supplies, and they are about two months away from receiving them. Once the contractors receive the supplies then they would resume getting the well completed.
2. Budget – is the main focus and city employees are working on it.

(b) City Council

None.

(c) City Staff

Finance Director Karen Morgan:

1. There were no questions on the monthly bills this month.
2. Budget workshops will begin on Wednesday, July 26, 2023. She said Monday, July 24, 2023 and Tuesday, July 25, 2023, budget workshops are cancelled.
3. 2023-2024 CDBG Grant – for the sewer system improvements would be granted.

(d) Mayor David Rutledge report:

1. The Jefferson County Bar Association will hold a free legal advice clinic for Veterans and spouses of deceased Veterans on Saturday, August 26, 2023, from 9:00 – 11:30 a.m. at the Lumberton Fire and EMS on 228 Country Lane Dr., Lumberton, TX.

7. RESOLUTION

- (a) Consideration and possible action to approve Resolution No. 2023-19(R) supporting the adoption of Orange County Road into the State Farm to Market Road maintenance system**

Council Member Roccaforte made a motion to approve Resolution No. 2023-19(R) supporting the adoption of Orange County Road into the State Farm to Market Road maintenance system, seconded by Mayor Pro-Tem Reed.

With no further discussion, Mayor Rutledge called for a vote.

MOTION CARRIED.

Ayes: Mayor Rutledge, Mayor Pro-Tem Reed, Council Members Roccaforte, Champagne, Gauthier, and Dixon.

Noes: None.

Absent: Council Member Collins.

8. ITEMS FOR DISCUSSION & POSSIBLE ACTION

- (a) Consideration and possible action to approve the following minutes:
June 20, 2023 City Council Regular Meeting
June 21, 2023 City Council Special Meeting**

Council Member Gauthier made a motion to approve the June 20, 2023 City Council Regular Meeting minutes, and June 21, 2023 City Council Special Meeting minutes, seconded by Council Member Dixon.

With no changes, discussion, or alterations, Mayor Rutledge called for a vote.

MOTION CARRIED.

Ayes: Mayor Rutledge, Mayor Pro-Tem Reed, Council Members Roccaforte, Champagne, Gauthier, and Dixon.

Noes: None.

Absent: Council Member Collins.

- (b) Consideration and possible action to approve the Bill list for June 2023**

Council Member Roccaforte made a motion to approve the Bill list for June 2023, seconded by Council Member Mayor Pro-Tem Reed.

After discussion, Mayor Rutledge called for a vote.

MOTION CARRIED.

Ayes: Mayor Rutledge, Mayor Pro-Tem Reed, Council Members Roccaforte, Champagne, Gauthier, and Dixon.

Noes: None.

Absent: Council Member Collins.

(c) Presentation and possible action to accept the City of Bridge City Annual Audit for the year ending September 30, 2022 as prepared by Keri Michutka, C.P.A.

Council Member Roccaforte made a motion to accept the City of Bridge City Annual Audit for the year ending September 30, 2022 as prepared by Keri Michutka, C.P.A., seconded by Council Member Gauthier.

Ms. Michutka said she wanted to thank the Mayor and City Council for giving her the opportunity to do the audit for the City this year and a special thank you to Ms. Morgan for coming back to help get the audit done. She told City Council she would give them the highlights of the audit. She said on page 1 is the Independent Auditor's Report which states she audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bridge City as of and for the year ended September 30, 2022. The next paragraph is the **Opinion:** In their opinion, the financial statements presented above presents fairly, in all material respects, the respective financial position of the City of Bridge City as of September 30, 2022 and is issued a clean and unmodified opinion.

Financial Statements:

Balance Sheet for the Governmental Funds

Exhibit C-1 the General Fund ended with total fund balance as of September 30, 2022, \$1,527,000 and of that the Unassigned Fund Balance was \$1,461,000, which equals about 3 months of expenditures. The GFOA recommends the City has no less than two months. Hotel/Motel Fund had a restrictive fund balance of \$1,100,000 but all of those funds are restricted and have to be used for a specific purpose. ARPA-Coronavirus Relief Fund in that fund is deferred revenue which is restricted, and they are not the City's funds until they are spent. If the monies are not spent on allowable projects those funds have to be sent back. All of the fund balances are restricted for a Total Governmental Fund Balance of \$5,500,000 in fund balance.

Changes in Fund –The General Fund had an increase for the year of \$15,000. The **Capital Project Fund** had a decrease of \$571,000 and that was for the wastewater treatment plant improvements and for meters for the utility fund. The other funds had a net decrease of \$262,000 and most of that came from the Street Maintenance Fund which was \$472,000 that was spent on street maintenance last year. **Total Governmental Fund** – had an decrease of \$658,000 for the year.

Utility Fund:

Exhibit D-1 Statement of Net Position Proprietary Funds: As of September 30, 2022, the City had an ending total net position of \$6,747,000 and of that the unrestricted net position was \$2,900,000.

Exhibit D-2 *Statements of Revenues, Expenses, and Changes in Fund Net Position for the Utility Fund:* the City had a net decrease for the year of \$207,000. The bulk of that comes from depreciation expense which was \$599,000

Notes to the Financial Statements:

Deposits and Investments - at September 30, 2022, the carrying amount of the City's deposits was \$11,428,000.

Capital Asset Activity – at September 30, 2022 the City's Governmental Funds had fixed assets net appreciation of \$9,430,000. The major changes were vehicles and a gradall that was purchased, and that was the \$525,000 of additions.

The Utility Funds *Business-type Activities Fixed Assets* Net Depreciation is \$3,761,000. There were \$1,100,000 of assets, which were equipment and wastewater treatment plant improvements.

Report of Internal Control

The purpose is not to provide an opinion on internal control, but would be considered as part of the planning process to know how much testing the auditor would have to do and to design the audit procedures. Deficiencies were identified in internal control last year and were considered to be significant deficiencies.

Schedule of Findings and Responses

Finding No. 2022-001-Lack of Accuracy in Financial Reporting:

Several errors were noted in financial reporting. Bank reconciliations were not reviewed for accuracy. Deposits and vendor payments were recorded in incorrect funds. In one bank account, the grant was not recorded and completely omitted from the books. The auditor recommends the responsible individuals follow effective internal controls. The City has internal controls in place, but they were not being followed. Individuals responsible for preparing and reviewing the financial statements should have sufficient training and knowledge of government accounting standards and perform thorough review of the financial statements to ensure they are correct.

Finding No. 2022-002-Absence of Adequate Supporting Documentation and Approvals:

During the audit it was noted several vendor payments were missing either supporting documentation, such as purchase requisition, purchase order, invoice. There were also a lot that did not have proper approvals. The recommendation is all transactions should be reported by adequate documentation and approvals.

Finding No. 2022-003-Lack of Management Review of Payroll

During the audit procedures, it was observed the responsible individual approved payroll without reviewing it. The recommendation is payroll registers should be reviewed and approved by the appropriate level of management prior to processing. The City has internal controls in place, but they were not being followed.

It is believed the findings have all been corrected and this should not happen again.

With no further discussion, Mayor Rutledge called for a vote.

MOTION CARRIED.

Ayes: Mayor Rutledge, Mayor Pro-Tem Reed, Council Members Roccaforte, Champagne, Gauthier, and Dixon.

Noes: None.

Absent: Council Member Collins.

- (d) Consideration and possible action to create and appoint members for a mobile food unit committee to create an ordinance**

Council Member Gauthier made a motion to create and appoint Council Member Aaron Roccaforte, Council Member Sherby Dixon, and Council Member Bryant Champagne to a mobile food unit committee to create an ordinance, seconded by Mayor Pro-Tem Reed.

With no further discussion, Mayor Rutledge called for a vote.

MOTION CARRIED.

Ayes: Mayor Rutledge, Mayor Pro-Tem Reed, Council Members Roccaforte, Champagne, Gauthier, and Dixon.

Noes: None.

Absent: Council Member Collins.

- (e) Consideration and possible action to approve a request from S&R Consulting regarding tying into the City's existing water and sewer to his property located behind the Villas at Cow Bayou after the utility study was submitted by LJA Engineering**

This item was not considered due to no motion being made.

- (f) Consideration and possible action to approve budget amendment 2023-08 in the amount of \$103,820.29 for reimbursement to the City of Bridge City to supply water and sewer to the Entergy expansion project**

Council Member Roccaforte made a motion to approve budget amendment 2023-08 in the amount of \$103,820.29 for reimbursement to the City of Bridge City to supply water and sewer to the Entergy expansion project, seconded by Council Member Gauthier.

With no further discussion, Mayor Rutledge called for a vote.

MOTION CARRIED.

Ayes: Mayor Rutledge, Mayor Pro-Tem Reed, Council Members Roccaforte, Champagne, Gauthier, and Dixon.

Noes: None.

Absent: Council Member Collins.

- (g) Consideration and possible action to approve Budget Amendment No. 2023-09 in the amount of \$48,411 for NFIP Insurance coverage for city buildings located in flood zones**

Council Member Roccaforte made a motion to approve Budget Amendment No. 2023-09 in the amount of \$48,411 for NFIP Insurance coverage for city buildings located in flood zones, seconded by Mayor Pro-Tem Reed.

With no further discussion, Mayor Rutledge called for a vote.

MOTION CARRIED.

Ayes: Mayor Rutledge, Mayor Pro-Tem Reed, Council Members Roccaforte, Champagne, Gauthier, and Dixon.

Noes: None.

Absent: Council Member Collins.

(h) Consideration and possible action to approve a budget amendment to pay up to half of \$100,000 to relocate the City's water main behind the high school for the new CTE building as requested by the Bridge City Independent School District

Mayor Pro-Tem Reed made a motion to approve a budget amendment to pay up to half of \$100,000 to relocate the City's water main behind the high school for the new CTE building as requested by the Bridge City ISD, seconded by

This item was not considered due to no second being made.

(i) Consideration and possible action to approve all residents who reside on Suncrest who would like to tie on to the City of Bridge City's utility services

Council Member Roccaforte made a motion to approve all residents who reside on Suncrest who would like to tie on the City of Bridge City's utility services, seconded by Council Member Gauthier.

With no further discussion, Mayor Rutledge called for a vote.

MOTION CARRIED.

Ayes: Mayor Rutledge, Mayor Pro-Tem Reed, Council Members Roccaforte, Champagne, Gauthier, and Dixon.

Noes: None.

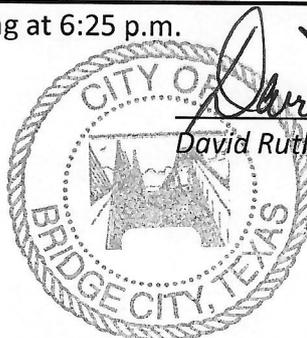
Absent: Council Member Collins.

9. ADJOURN

Mayor Rutledge adjourned the meeting at 6:25 p.m.

ATTEST:


Jeanie McDowell, City Secretary




David Rutledge, Mayor