Ogden Village Board Regular Session

Ogden Village Hall

January 3, 2019

PRESENT

Trustee Acklin Clerk Bowman Mayor Clements Trustee Cooper

Trustee Esposito Trustee Haan Trustee Newsom Trustee Vickers

Absent: None

Also, present: Clark Brooks and Mary Schmitz

CALL TO ORDER:

Mayor Clements called the meeting to order at 7:01p.m.

PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES (December 6, 2018, regular session and November 27,2018 Drainage Committee meetings):

Trustee Cooper made a motion to approve the minutes of the December 6, 2018, regular session and to table the November 27, 2018 Drainage Committee meetings. Trustee Vickers seconded the motion.

All “ayes”, motion carried.

APPROVAL OF TREASURER’S REPORT: Trustee Haan made a motion to approve the January 2019 treasurer’s report. Trustee Vickers seconded the motion. Roll call vote:

Trustee Newsom, “aye” Trustee Esposito, “aye” Trustee Cooper, “aye”

Trustee Vickers, “aye” Trustee Acklin, “aye” Trustee Haan, “aye”

All “ayes”, motion carried.

APPROVAL OF BANK STATEMENTS (December 2018): The bank statements were unavailable. This is tabled until February 2019 meeting.

APPROVAL OF BILLS:

Trustee Newsom made a motion to pay January 2019 bills. Trustee Cooper seconded the motion. Roll call vote:

Trustee Cooper, “aye” Trustee Vickers, “aye” Trustee Acklin, “aye”

Trustee Haan, “aye” Trustee Newsom, “aye” Trustee Esposito, “aye”

All “ayes”, motion carried.

PUBLIC COMMENT: Clark Brooks was present to introduce himself. He is starting a newspaper called The Sentinel. This paper will serve St. Joseph, Ogden and Royal. It will be like the Leader and be delivered to everyone’s home. He has to get funding to cover the cost of printing before the print copy can start. His paper will also have an online component.

DISCUSSION OF ACCOUNTING SERVICES: Trustee Haan prepared the following statement:

“First, I would like to discuss the audit and Puzey & Wright. I regret having to speak publicly and negatively about the Village having to take Village business away from a local business, but I am committed first and foremost is to ensure that the services that the village receives from all our vendors is the best it can be. It is our responsibility to occasionally review vendors to make sure they are providing quality services and at a reasonable cost. I need to correct a statement I made before about Puzey & Wright. I said that Puzey & Wright represented I the individual. Kristie Wright cannot audit the accounting work of the same person. There are very specific and detailed audit and CPA rules about whether or not this is allowable. Under certain circumstances this can be allowed. However, Puzey & Wright had been pretty close to crossing the line of what you call independence which is a key standard of auditing. If almost any other CPA firm were asked if this relationship were advisable, they would probably say no. They would say no actually.

The results of the 2018 audit need to be discussed further before we make a decision. I’ve worked on it and completed dozens of financial reports and I know what and where to look for issues. The most important part of the report is the quote quote opinion. This was on page 2 of this year’s report. It is a clean opinion which means all the material or significant parts of the financial data is reported correctly. This is good and reflects well on Puzey & Wright, Jennifer and the board. When banks are looking at giving loans this is one of the most important parts of the audit if not the most important part. On page 10 and 20 of the report it is mentioned prior period adjustment of the fixed assets in water and sewer funds. On page 20 is the detailed description that approximately $159,000.00 of assets should have been capitalized. From my experience having a prior period adjustment reflects poorly on the entity being audited. Especially for Ogden because if the village wanted to get a loan in water or sewer the lender would most likely want to see the audit financial statements and most likely take a close look at the water and sewer funds. This issue created extra work for the auditors and the village to determine the proper amount that was needed to be adjusted. Martin Hood billed approximately $2, 547.00 extra for resolving this adjustment at an hourly rate of $163. I was able to assist Greg Douglas in composing a history of sewer asset additions over the span of 25 years. I read through 25 years of minutes and compiled data and sent it to Greg. That took me 10 hours and if I had not completed the work Greg would have came out himself and per the average rates of $163 on the over billing for over 10 hours it could have costed the Village another $1,500. If this work had not been completed Martin Hood would not have issued a clean opinion as we had talked about above and it would have reflected poorly on Ogden in my opinion. This restatement was review by Greg Douglas, Justin Overstreet the in charge and two other partners at Martin Hood who all agreed on the error. The Village could not have expected Jennifer to correct any error and it should have been caught several years ago by an accountant or auditor before Martin Hood’s audit. Some of the similar additions could have been judgement calls but Martin Hood was adamant that this adjustment was needed. Honestly, I know less about government accounting than Puzey & Wright but as a former CPA I do understand what is important in the audit and what is important for the Villages finances. I think that the Village should consider other options. I’ve been in contact with Mary over the last few months and trying to get a good idea of her abilities and fees. A real quick overview, she’s a U of I graduate, worked with a large accounting firms, works currently with lots of municipalities, works with Martin Hood and works in an office in St. Joseph. Her rates are $60 per hour which is a very reasonable rate for accounting work these days. Mary charges by the quarter hour and generally doesn’t charge for the less than that unless it’s piled up over the course of a few days. Mary will work with the village to make everything flow as smooth as possible to minimize the amount of trips Jennifer would have to take to St. Joseph. I would propose reimbursement to Jennifer at the federal mileage rate for each trip to St. Joseph. It would be approximately $11 per trip there and back. Ideally as thing smooth out it would be perhaps 2 to 4 trips per month to St. Joseph.

I tried to compare what we pay now for accounting a fixed fee and what we will pay Royal Bookkeeping for services. My estimate is that in the 1st year or the 1st 6 months with the transition and setting everything up there’s a good chance Ogden will lose money within that 1st 6 months to a year compared to what we pay now to Kristy. However, depending on how efficient we can be there is potential to save money in the future. Overall Mary has good experience, good references from both clients and auditors including Martin Hood and she is just 5 minutes away.”

After Trustee Haan’s statement Trustee Newsom asked how long Mary has been in accounting. She said she graduated from the U of I in 94 and has been doing accounting work ever since.

Trustee Esposito said she thinks we should stay with Puzey & Wright. We should stay local. They have been providing us with excellent service for many years. We are here to promote our businesses and part of doing that is the Village use them.

Trustee Haan said we can look at it from a bookkeeping prospective and he has talked with Mary about fixed asset accounting and in his opinion, she will be a lot more aware of our accounting policies and so if something comes across looking suspicious or she had questions about she’s going to follow up on it.

Trustee Cooper said if we stay with Puzey & Wright wouldn’t Martin & Hood catch something if it is wrong. Trustee Haan said they should. Trustee Haan said he has an issue with Puzey & Wrights judgements not accounting.

Trustee Newsom said that since Puzey & Wright does not use QuickBooks we will have to pay Martin Hood more for the audit because they will have to spend extra time inputting the information in their selves.

APPROVE TO REMAIN WITH PUZEY & WRIGHT FOR $475 A MONTH FOR ACCOUNTING SERVICES: Trustee Vickers made a motion to remain with Puzey & Wright for $475 a month for Accounting Services. Trustee Esposito seconded the motion. Roll call vote:

Trustee Vickers, “aye” Trustee Acklin, “nay” Trustee Haan, “nay”

Trustee Newsom, “nay” Trustee Esposito, “aye” Trustee Cooper, “nay”

Two “ayes”, Four “nays”, motion failed.

APPROVE TO RETAIN ROYAL BOOKKEEPING SERVICES FOR $60 PER HOUR FOR ACCOUNTING SERVICES BEGINNING FEBRUARY 1, 2019: Trustee Haan made a motion to retain Royal Bookkeeping Services for $60 per hour for accounting services beginning February 1, 2019. Trustee Newsom seconded the motion. Roll call vote:

Trustee Acklin, “aye” Trustee Haan, “aye” Trustee Newsom, “aye”

Trustee Esposito, “nay” Trustee Cooper, “aye” Trustee Vickers, “nay”

Four “ayes”, Two “nays”, motion carried.

APPROVE CORPORATE RESOLUTION TO OPEN A PAYROLL CHECKING ACCOUNT AT LONGVIEW BANK: Trustee Vickers made a motion to approve a corporate resolution to open a payroll checking account at Longview Bank. Trustee Newsom seconded the motion. Roll call vote:

Trustee Haan, “aye” Trustee Newsom, “aye” Trustee Esposito, “aye” Trustee Cooper, “aye” Trustee Vickers, “aye” Trustee Acklin, “aye”

All “ayes”, motion carried.

APPROVE TO MOVE $20,000.00 FROM GENERAL FUND TO THE PAYROLL ROLL FUND ACCOUNT: Trustee Haan made a motion to move $20,000.00 from the general fund to the payroll fund account. Trustee Vickers seconded the motion. Roll call vote:

Trustee Newsom, “aye” Trustee Esposito, “aye” Trustee Cooper, “aye”

Trustee Vickers, “aye” Trustee Acklin, “aye” Trustee Hana, “aye”

All “ayes”, motion carried.

APPROVE $170.00 IN MILAGE REIMBURSEMENT FOR OGDEN BUSINESS DEVELOPMENT DINNER SPEAKER GISELE HAMM (Illinois Institute for Rural Affairs--MAPPING the Future program) DRIVING FROM WESTERN ILLINOIS UNIVERSITY TO BILLY BOB’S IN OGDEN (round trip 312 miles at the IRS 2019 Standard Mileage Rate of 54.5 cents per mile): Trustee Haan made a motion to approve $170.00 in mileage reimbursement for Ogden Business Development Dinner speaker Gisele Hamm from Western Illinois University to Billy Bob’s in Ogden for 312 round trip miles at the IRS 2019 standard mileage rate of 54.5 cents per mile. Trustee Newsom seconded the motion. Roll call vote:

Trustee Esposito, “nay” Trustee Cooper, “nay” Trustee Vickers, “nay’

Trustee Acklin, “aye” Trustee Hana, “aye” Trustee Newsom, “aye”

Mayor Clements, “nay”

Four “nays” and three “ayes”, motion failed.

Trustee Haan prepared a statement:

“We have arranged for Gisele Hamm to speak at our business development dinner on February 26. She runs she is a manager at the Institute of Rural Affairs Mapping the Future at Western Illinois University. We talked about her at the last meeting. It’s a nonprofit organization of Western Illinois University it’s their strategic visioning planning and action plan for community. Gisele is going to present on the program at our business development dinner. She is not incurring any charge for her presentation, but I am proposing that as my own idea that we reimburse her mileage for the drive to and from Western Illinois University at $170 at the federal rate. The other potential speakers that I was researching would most likely have a much higher cost and may have a presentation that may not apply directly to Ogden. The mileage reimbursement would be a small amount and a kind gesture of appreciation for a program that depends heavily on state funding which is what I understand with my conversation with Gisele is currently under delay for her program.”

Trustee Vickers asked if Trustee Haan received prices from anyone else? She doesn’t think we should put out that much money for a speaker. And that the speaker didn’t request mileage but Trustee Haan just offered it. Trustee Vickers believes that Gisele is funded by the University already. Trustee Esposito believes that the University would arrange a rental for Gisele or pay her mileage for her own vehicle already. Trustee Acklin asked if we paid for speakers in the past. The board recalls that speakers have always volunteered their time.

Gisele Hamm was recommended by Trustee Newsom.

APPROVE POTTER ELECTRIC SERVICE INC. BILL FOR LIFT STATION EMERGENCY REPAIRS (Not to exceed $3,662.11): Trustee Newsom made a motion to approve the Potter Electric Service Inc. bill for lift station emergency repairs. Trustee Esposito seconded the motion. Roll call vote:

Trustee Cooper, “aye” Trustee Vickers, “aye” Trustee Acklin, “aye”

Trustee Haan, “aye” Trustee Newsom, “aye” Trustee Esposito, “aye”

All “ayes”, motion carried.

APPROVE AMPSTUN CORPORATION ANNUAL SUPPORT & MAINTENANCE (not to exceed $1,875.00): Trustee Vickers made a motion to approve Ampstun Corporation Annual Support and Maintenance Agreement for $1,875.00. Trustee Cooper seconded the motion. Roll call vote:

Trustee Vickers, “aye” Trustee Acklin, “aye” Trustee Haan, “aye”

Trustee Newsom, “aye” Trustee Esposito, “aye” Trustee Cooper, “aye”

All “ayes”, motion carried.

APPROVE TO PURCHASE A NEW HANDHELD DEVICE FOR WATER SOFTWARE (Not to exceed $6,500.00): Trustee Acklin made a motion to purchase a new handheld device for water software for up to $6,500.00. Trustee Cooper seconded the motion. Roll call vote:

Trustee Acklin, “aye” Trustee Haan, “aye” Trustee Newsom, “aye”

Trustee Esposito, “aye” Trustee Cooper, “aye” Trustee Vickers, “aye”

All “ayes”, motion carried.

The base of the old hand held no longer works and will not connect to the computer system. This handheld has been sent in for repairs before. The board decided to purchase the smaller handheld for $4,325.00

APPROVE TO CLOSE SEWER DEPRECIATION BANK ACCOUNT AND TRANSFER FUNDS TO SEWER OPERATIONS ACCOUNT: This failed due to lack of motion.

APPROVE TO CLOSE WATER DEPERCIATION BANK ACCOUNT AND TRANSFER FUNDS TO WATER OPERATIONS ACCOUNT: This failed due to lack of motion.

APPROVE TO OPEN A MUNIWISE BANK INDEX ACCOUNT AT PROSPECT BANK AND TRANSFER $350,000.00 FROM THE GENERAL FUND ACCOUNT TO THIS NEW ACCOUNT: This failed due to lack of motion.

APPROVE TO OPEN A MUNIWISE BANK INDEX ACCOUNT AT PROSPECT BANK AND TRANSFER $35,000.00 FROM WATER OPERATIONS FUND ACCOUNT TO THIS NEW ACCOUNT: This failed due to lack of motion.

APPROVE TO TRANSFER UP TO $300,000.00 FROM THE GENERAL FUND TO CD’S AT LONGVIEW BANK AT RATE OF:

3-month CD @ 1.75%

6-month CD @ 2%

12-month CD @ 2.5%

Trustee Haan made a motion to invest $ 75,000.00 into a 3-month CD at a rate of 1.75%,

$75,000.00 into a 6-month CD at a rate of 2% and $75,000.00 into a 12-month CD at a rate of 2.5%. There was no second, so the motion failed. Trustee Vickers made a motion to invest $225,000.00 into three 12-month CD’s for $75,000.00 each at a rate of 2.5%. Trustee Newsom seconded the motion. Roll call vote:

Trustee Vickers, “aye” Trustee Acklin, “aye” Trustee Haan, “nay”

Trustee Newsom, “aye” Trustee Esposito, “aye” Trustee Cooper, “aye”

Five “ayes”, One “nay”, motion carried.

APPROVE TO TRANSFER UP TO $35,000.00 FROM THE WATER DEPRECIATION FUND TO CD’S AT LONGVIEW BANK AT THE RATE OF:

3-month CD @ 1.75%

6-month CD @ 2%

12-month CD @ 2.5%

Trustee Newsom made a motion to approve to transfer up to $35,000.00 from the Water Depreciation fund to CD’s at Longview Bank at the rate of 12-month CD @ 205%. Trustee Acklin seconded the motion. Roll call Vote:

Trustee Acklin, “aye” Trustee Haan, “aye” Trustee Newsom, “aye”

Trustee Esposito, “aye” Trustee Cooper, “aye” Trustee Vickers, “aye”

All “ayes”, motion carried.

COMMITTEE REPORTS:

Building/grounds: None

Health & Safety: There had been a lot of work done at the burnt down house before Christmas but none since. There is still concern about the basement being open.

Holden property is much better. The dumpster is still there, and they are still working on it.

Sewer: Marc Miller is looking into statue of limitations for the sewer overage.

Water: None

Streets/alleys/sidewalks: None

Drainage: Frank Benso contacted Trustee Acklin about water in his basement. He said his sump pump is running every 15 seconds. The Village will look into this matter.

Budget: None

Business: Business Development Dinner will be February 26th at Billy Bob’s. It will cost the Village $20.30 a plate.

Zoning: There will be a Committee Meeting January 14, 2019 at 7pm to discuss Zoning Ordinance changes.

Events: The Village of Ogden’s Adult Easter Egg Hunt will be on Friday, April 19, 2019 and the kids Easter Egg Hunt will be on Saturday, April 20, 2019.

The Events Committee will resume their meetings on February 12th at 6:30, but they will be on the second Tuesday of the month instead of the first.

MAYOR: None

OTHER BUSINESS: Trustee Esposito said that nobody should be talking to anyone that the Village gets charged hourly for. They should go through the Mayor.

MOTION TO ADJOURN:

Trustee Newsom made a motion to adjourn. Trustee Acklin seconded the motion.

All “ayes”, motion carried.

Adjourned at 8:15 PM

Respectfully submitted,

Jennifer Bowman, Clerk

Village of Ogden