



Office of Missouri State Auditor
Nicole Galloway, CPA

City of Wellston



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Wellston

Accounting Controls and Procedures	The city's procedures for receipting and depositing are poor, and there are no procedures to ensure all receipts are recorded in the computerized accounting system. As a result, there is no assurance all monies collected are properly receipted, recorded, and deposited. Bank reconciliations were not performed for any of the city's bank accounts during the year ended June 30, 2015. The Council has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city office personnel are performed.
Monitoring Financial Condition	The financial condition of the General Fund has declined in recent years and is not expected to improve significantly in the immediate future. In addition, the city's financial records were not complete and accurate, making it difficult for the Council to effectively monitor the city's financial condition.
Budgets, Financial Reporting, and Ordinances	The City Council does not prepare a budget for any city funds. The city did not prepare and publish financial statements as required by state law. City personnel have not filed annual financial reports timely with the State Auditor's Office as required by state law, and continued to make disbursements after the statutorily required deadline for submitting the financial report in violation of state law. City ordinances are not complete or organized. Ordinances were last codified in 1996, and there is no up-to-date official ordinance book. The city does not maintain an index of all ordinances passed and rescinded.
Disbursements	City personnel do not always solicit competitive bids or proposals for goods and services, and the city ordinance for procurement needs to be clarified to indicate when bidding is required. The Mayor's use of city purchased fuel does not appear reasonable and necessary, is not properly reported as a taxable benefit to the Internal Revenue Service, and has not been authorized by the Council. The Council does not approve all disbursements. City personnel only submit a listing of payments that are considered non-recurring to the Council for approval and, as a result, the Council only approves a small percentage of total disbursements. The city does not have written contracts with some service providers and certain outside parties, or city personnel could not locate the contracts. We identified several wasteful or unnecessary disbursements.
Sunshine Law	The city does not timely respond to public record requests and does not maintain a log of record requests received to ensure all requests are handled in compliance with the Sunshine Law. The city did not comply with state law regarding closed sessions. Minutes for several Council meetings could not be located, and sufficient documentation was not retained when Council meetings were canceled. The city did not include sufficient details in meeting notices and agendas to advise the public of all matters to be considered.
Salaries and Employee Leave	The City Administrator received two improper payouts of accrued vacation leave, one of which was not adequately supported by the city's leave records. The city violated state law and overpaid an elected official who served a dual role. The Council has not performed any analysis to determine

if the established salaries of elected officials are comparable to other similar cities, and whether any adjustments are needed.

Restricted Monies	The city is not properly tracking and recording certain restricted monies. State motor vehicle-related and half-cent Capital Improvements Sales Tax monies are comingled with general purpose monies rather than being accounted for in separate funds. Also, the city cannot demonstrate disbursements of these funds occurred in accordance with state law, applicable ballot language, and/or city ordinance.
Capital Assets	The city does not maintain records of its capital assets including buildings, vehicles, equipment, and other property. Additionally, city assets are not tagged for specific identification, and city personnel do not perform an annual physical inventory.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

City of Wellston

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the City Council
Wellston, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Wellston. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

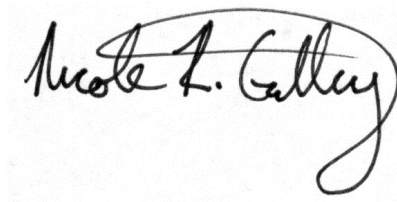
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Wellston.

An additional report, No. 2016-083, *Twenty-First Judicial Circuit, City of Wellston Municipal Division*, was issued in September 2016.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Regina Pruitt, CPA
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City of Wellston

Management Advisory Report

State Auditor's Findings

1. Accounting Controls and Procedures

Numerous weaknesses exist with the city's accounting controls and procedures. The city receives monies for sales, property, and communication gross receipts taxes; merchant licenses; building permits; and other miscellaneous items. Some monies are handled and processed by employees at city hall, while other monies are deposited directly into the city's bank accounts by the payor.

1.1 Receipting and depositing procedures and recording of accounting entries

The city's procedures for receipting and depositing are poor, and there are no procedures to ensure all receipts are recorded in the computerized accounting system. As a result, there is no assurance all monies collected are properly receipted, recorded, and deposited.

The city issues prenumbered manual receipt slips for all monies received, which are carbon copied to a manual cash receipts ledger. We reviewed all receipt slips issued during the months of November 2014, December 2014, January 2015, and June 2015. We compared receipts to deposits into the city's general account and road and bridge account and identified various problems.

- Deposits were not always made timely and intact. For example, checks and money orders totaling about \$3,500 were held up to 2 weeks before deposit in June 2015. Also, a receipt slip was issued in early January 2015 but the monies were held and not deposited until the end of the month, resulting in monies not being deposited intact.
- Receipt slips were not always issued in numerical sequence. Receipt slips were not issued in numerical sequence for 8 transactions in June 2015 and one transaction in December 2014. Additionally, we identified 18 receipt slips that were skipped. The standard procedure for city personnel is to retain copies of voided receipt slips; however, they could not provide copies of the 18 receipt slips or explain what happened. The manual cash receipts ledger and deposit slips do not include receipt slip numbers. Most monies handled by personnel at city hall are in the form of a check or money order, and the check or money order number is included on both the ledger and deposit slip. However, since the manual cash receipts ledger and deposit slips do not include receipt slip numbers, we had less assurance regarding the individual receipt slips associated with each deposit.
- City personnel did not issue receipt slips for some transactions, and did not retain some deposit slips. City personnel could not provide receipt slips corresponding to 5 deposits totaling about \$5,000. For another deposit, they only provided receipt slips that accounted for about \$500 of the total deposit of about \$2,200. In addition, for 5 deposits they could not provide a copy of the deposit slip.



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Management Advisory Report - State Auditor's Findings

- City personnel do not reconcile the amount or composition of recorded receipts to the computerized accounting system or deposits.

In September 2015, the city hired an independent accountant to handle the recording of all receipts and disbursements in the computerized accounting system, perform bank reconciliations, and assist the city with preparing the financial data and reports used to draft a budget proposal for the City Council (Council). Prior to September 2015, the receipt and disbursement information in the computerized accounting system was not complete and accurate. For example, numerous receipts recorded in the system were not coded by type, interfund transfers were not recorded, no activity was recorded for some bank accounts, and recorded activity and balances were not reconciled with the bank statements. As a result, we could not present additional detail in the Schedule of Receipts, Disbursements, and Changes in Cash Balances included in the Organization and Statistical Information section. We could only present summarized bank activity and not detail of receipts by type or source or disbursements by function for the year ended June 30, 2015. In addition, we could not reliably trace deposits to the accounting system. Although the computerized accounting system can now provide more reliable data, necessary data is not being provided to the Council (see MAR finding number 2).

Based on the unavailability and disorganization of various city records, as discussed in the remainder of the report, it is likely additional problems with the receipting, recording, and depositing of monies occurred. Failure to implement adequate receipting, recording, and depositing procedures increases the risk of loss, theft, or misuse of monies and increases the likelihood that discrepancies will go undetected and accounting records will contain errors.

1.2 Bank reconciliations

Bank reconciliations were not performed for any of the city's bank accounts during the year ended June 30, 2015. The city subsequently contracted with an independent accountant who is now preparing these reconciliations monthly; however, the reconciliations are not presented to the Council, or formally reviewed or approved by the Council or other city personnel.

The preparation and independent review of formal monthly bank reconciliations is necessary to ensure accounting records are in balance and to identify errors timely.

1.3 Segregation of duties

The Council has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city office personnel are performed. Personnel vacancies and limited personnel have resulted in inadequate segregation of accounting duties. No reviews of the detailed accounting and bank records are performed by other city personnel or Councilmembers.



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Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

Recommendations

The City Council:

- 1.1 Implement procedures requiring city personnel to make deposits intact and timely, properly account for the numerical sequence of receipt slips, issue receipt slips in numerical sequence, issue receipt slips for all monies received, and retain deposit slips. The Council should also ensure procedures are implemented to reconcile the amount and composition of receipts to the computerized accounting system and deposits.
- 1.2 Perform monthly documented reviews of bank reconciliations.
- 1.3 Segregate the accounting duties of the city office personnel. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.

Auditee's Response

The city fully intends to comply with the audit recommendations as well as all applicable laws and statutory requirements.

2. Monitoring Financial Condition

The financial condition of the General Fund has declined in recent years and is not expected to improve significantly in the immediate future. In addition and as noted in MAR finding number 1, the city's financial records were not complete and accurate, making it difficult for the Council to effectively monitor the city's financial condition.

The General Fund is used for most of the city's financial activity, and various recent events have contributed to a declining balance. The following table presents General Fund activity and cash balances as compiled by audit staff from city financial records.

		Year Ended June 30		
		2015	2014	2013
Beginning Cash Balance	\$	113,099	217,979	81,403
Total Receipts ¹		1,250,525	1,227,119	1,374,844
Total Disbursements ¹		1,325,129	1,331,999	1,238,268
Ending Cash Balance	\$	38,495	113,099	217,979

¹ Receipts and disbursements include other financing sources (uses). The city routinely transfers monies to the payroll account for payment of elected official and employee salaries and benefits.



City of Wellston Management Advisory Report - State Auditor's Findings

Disbursements have exceeded receipts in the last 2 years and that trend is expected to continue. The ending balance for fiscal year ended June 30, 2015, was approximately 3 percent of the disbursements for the fiscal year. The fund's cash balance remains low and as of August 31, 2016, the cash balance was about \$85,000. However, the reconciled book balance at that date was negative (\$1,900) and, as a result, the city's fund liabilities exceed assets.

Cash flow

The city has struggled to generate sufficient cash flow to sustain operations. In recent decades, the population of the city has declined, reducing both property tax and sales tax revenues. Also, the city has paid significant settlement amounts in recent years resulting from various types of lawsuits including an assault on a citizen by a Councilmember (\$15,000), a class action lawsuit involving fees charged by the municipal court that violated state law (\$15,000), violations of the Missouri Sunshine Law (\$37,422), and employment-related matters (\$11,000). Two of these judgments totaling \$37,422 were recently awarded and as of May 2017 the city is appealing the rulings.

In November 2015, the Council voted to change fuel suppliers. However, the Mayor indicated the city did not implement the change because the selected vendor requires weekly or bi-weekly payment, and the city was not able to pay more frequently than monthly. If the change had been implemented as directed by the Council, the city would be paying a lower price for fuel (see MAR finding number 4.1).

Municipal court

City personnel indicated revenues generated by the municipal court have significantly declined since the passage of Senate Bill 5 that took effect August 28, 2015.

As a result of the city's poor financial condition, insufficient cash flow, and existing obligations to pay for goods and services, the city expended monies that it did not have a legal right to spend. Report No. 2016-083, *Twenty-First Judicial Circuit, City of Wellston Municipal Division*, was issued in September 2016. As noted in that report, the city expended about \$90,000 in bond monies during the fiscal year ended June 30, 2015, that were restricted and should not have been disbursed until such time as the cash bonds were forfeited, applied to court fines and costs, or refunded. In addition, we identified an unexplained shortage exceeding \$100,000 in the bond account that could have resulted from other improper disbursements.

Cost reductions

The Council has taken several significant actions that may improve the city's financial condition. The Council voted in June 2015 to disband the city's police department and enter into a contract with the North County Police Cooperative to provide policing services. The initial cost savings was partially offset by a temporary increase in unemployment costs when the city's police officers lost their jobs.



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In addition, the Council voted in January 2017 to dissolve its municipal division and enter into a contract with the City of St. Ann because contracting for these services would be more cost effective. The consolidated court operation is known as the Consolidated Municipal Courts. Also, we noted this change may improve collections of accrued costs because the municipal division had approximately \$793,600 in accrued costs as of February 29, 2016.

Insufficient monitoring

The Council is not provided sufficient information to adequately monitor the city's financial condition. Members are provided a monthly financial report that summarizes information from the bank statements including a summary of the beginning balance, receipts, disbursements, transfers, and ending balance for the month. As previously discussed in MAR finding number 1.2, the Council is not provided bank reconciliations or other reports that would provide more information regarding available fund balances, historical financial data or projections of current and future liabilities, and detail on the types of major receipts or disbursements. The city does not obtain financial statement audits, and a planned financial statement audit was not completed several years ago. Correspondence between the audit firm and the city indicates the city did not respond to multiple requests for financial records and, as a result, auditors could not proceed with the audit.

Without appropriate financial data, it is apparent the Council is not adequately monitoring the city's financial condition on a regular basis. Numerous internal control weaknesses, lax controls over expenditures, failure to establish and monitor budgets, and lack of adequate financial reporting to the public and the Council have been identified and discussed in more detail throughout the report. These weaknesses and lack of monitoring by the Council have put the city in financial difficulty.

Conclusion

It is essential the City Council closely monitor and address the city's financial condition in both the immediate and long-term future. The Council should reduce spending where possible, evaluate controls and management practices to ensure efficient use of resources, monitor detailed financial data that includes historical and projected trends of receipts and disbursements, and establish and monitor budgets.

Recommendation

The City Council ensure it receives detailed financial data monthly, perform long-term planning, and closely monitor and take necessary steps to improve the city's financial condition.

Auditee's Response

The city fully intends to comply with the audit recommendations as well as all applicable laws and statutory requirements. The Council will direct the Mayor, Bookkeeper, and appropriate officials and employees to prepare and/or collect (1) a detailed and complete listing of all receipts and/or vendor provided invoices containing adequate descriptions of goods and services received by the city, (2) a copy of each invoice and (3) a copy of



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each check written by the city to pay such invoice. The Council will direct that all such documents be submitted to the City Council in advance of its meetings. The members of the Council will review all of these items in advance of any approval of any expenditures, in addition, members will verify and ensure that the original documents conform to the copies submitted to the Council.

3. Budgets, Financial Reporting, and Ordinances

3.1 Budgets

The city has not complied with various state laws including preparing an annual budget for each fund, publishing semiannual financial statements, and filing annual financial reports timely. In addition, improvement is needed in ordinances.

The City Council does not prepare a budget for any city funds.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the format. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and informing the public about city operations and current finances. In addition, Section 67.080, RSMo, provides that no expenditures of public monies should be made unless it is authorized in the budget.

3.2 Published financial statements

The city did not prepare and publish financial statements as required by state law.

Section 77.110, RSMo, requires the Council to prepare and publish semiannual financial statements that include a full and detailed account of the receipts, disbursements, and indebtedness of the city. To ensure compliance with this statute, the Council should require timely preparation of financial statements and review the statements for accuracy prior to publication.

3.3 Filing of financial reports

City personnel have not filed timely or accurate annual financial reports with the State Auditor's Office as required by state law, and continued to make disbursements after the statutorily required deadline for submitting the financial report in violation of state law. The city's financial report for the year ended June 30, 2016, due by December 30, 2016, has not been filed as of May 2017. In addition, the previous report filed did not include all elements required by 15 CSR 40-3.030 including the beginning and ending balance of each fund.

Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's Office. Section 105.145(5), RSMo, prohibits elected officials from continuing to receive



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compensation or processing disbursements after the deadline to submit the financial statement and until the financial statement is submitted to the State Auditor's Office.

3.4 Ordinances

City ordinances are not complete or organized. Ordinances were last codified in 1996, and there is no up-to-date official ordinance book. The city does not maintain an index of all ordinances passed and rescinded.

Because ordinances passed by the Council to govern the city and its residents have the force and effect of law, it is important ordinances be current, complete, and organized. The lack of an ordinance index makes it more difficult for the city to determine which ordinances are active or have been rescinded.

Recommendations

The City Council:

- 3.1 Prepare annual budgets for all funds that contain all information as required by state law, and approve the budget prior to the beginning of the operating year.
- 3.2 Ensure publication of the city's semiannual financial statements as required by state law.
- 3.3 Submit annual financial reports to the State Auditor's Office as required by state law, and discontinue processing any disbursements until the financial report is properly filed with the State Auditor's Office.
- 3.4 Ensure city ordinances are maintained in a complete, well-organized, and up-to-date manner, and establish an index of all ordinances passed and rescinded.

Auditee's Response

The city fully intends to comply with the audit recommendations as well as all applicable laws and statutory requirements

4. Disbursements

4.1 Bidding

Controls and procedures over city disbursements need improvement.

City personnel do not always solicit competitive bids or proposals for goods and services, and the city's ordinance for procurement needs to be clarified to indicate when bidding is required. City personnel indicated they only solicit competitive bids for projects funded by a federal grant for various purposes such as demolition of abandoned structures and street paving.

Section 2-8 of the city code states sealed bids shall be solicited for any purchases exceeding \$1,000. However, section 2-9 of the code exempts bidding requirements in certain circumstances. For example, bidding is not



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required when "the purchase is legally and properly authorized" and "when the purchase under the circumstance is approved by resolution by the city council." These exceptions are broad and vague which could lead to varying interpretations. City officials should consider revising applicable ordinances to provide more clarity regarding the threshold and circumstances where purchases of goods or services must be bid or proposals solicited.

Examples of significant purchases of goods or services for which bids or proposals were not solicited include workers compensation insurance (\$53,199), payroll processing services (\$4,732), information technology services (\$4,541), and fuel (\$36,478).

The city purchases fuel from the St. Louis County Department of Transportation. Prior to August 2014, the city purchased fuel from a local convenience store at market prices, with no additional fees incurred. The city currently pays administrative surcharges under this arrangement that seem unnecessary. The administrative surcharges are approximately 20 cents per gallon and resulted in the city paying about \$1,500 over the market price for fuel during the year ended December 31, 2015.

Formal bidding procedures for major purchases or services provide a framework for economic management of city resources and help ensure the city receives fair value by contracting with the lowest or best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business. Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration.

4.2 Mayor's fuel usage

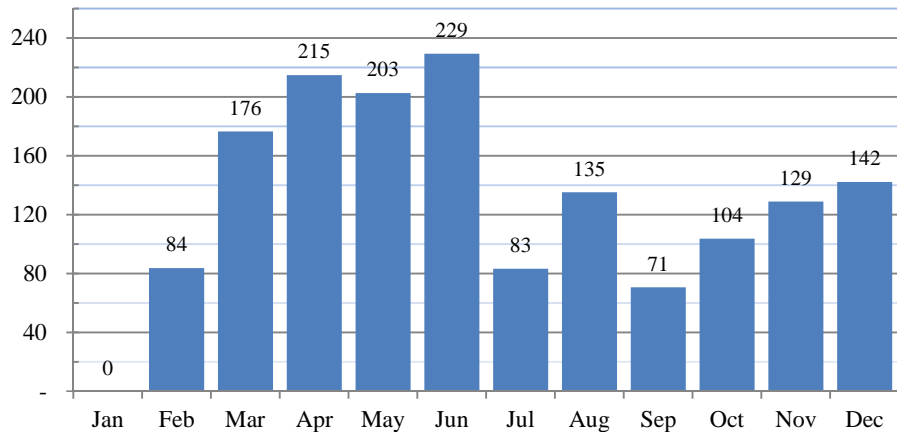
The Mayor's use of city purchased fuel does not appear reasonable and necessary, is not properly reported as a taxable benefit to the Internal Revenue Service (IRS) on W-2 forms, and has not been authorized by the Council. Also, the city has not prepared a written agreement or guidelines regarding allowable fuel usage. The Mayor is not provided a city-owned vehicle and uses his personal vehicles for city business.

The Mayor fuels his personal vehicles at the St. Louis County gas pumps and charges are billed monthly to the city. The Mayor took office in November 2014 and was provided access to the pumps starting in February 2015. During the 11 months ended December 31, 2015, the Mayor pumped approximately 1,570 gallons of fuel billed to the city, as summarized in the following chart.



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Gallons dispensed under Mayor's account, by month, calendar year 2015



Source: Prepared by the State Auditor's Office (SAO) using monthly gasoline billing reports and invoices payable to St. Louis County, MO Treasurer's Office.

In July 2015, an investigative news report published by a local news outlet questioned the Mayor's high fuel usage. The Council did not take action based on these concerns by adopting an agreement, guidelines, or policy on city provided fuel; evaluating proper uses of fuel; or requiring submission of additional documentation by the Mayor. The Council continued to provide the Mayor unrestricted access to the pumps. Based on the chart above, his fuel usage significantly decreased starting in July 2015 and continued to remain significantly less than the period prior to the publication of the news report. According to the Mayor, he used his card to fuel vehicles used for city business by a public works employee who left employment in June 2015, and a code enforcement officer who passed away in February 2016. He indicated he still fuels the vehicle used by the city's building inspector. The Mayor's average usage was 181 gallons per month for the 5 month period February to June 2015, decreased to 96 gallons per month for the 3 month period July to September 2015, and increased to 125 gallons per month for the 3 month period October to December 2015. For the period of March to May 2015, the Mayor's fuel usage averaged about 21 percent of the total fuel used by the former city police department that employed at least 20 personnel and included at least 5 vehicles. Assuming the vehicle(s) driven achieved 20 miles per gallon, the Mayor and other employees who used the city vehicles the mayor indicated he purchased fuel for would have had to drive approximately 31,400 miles during the 11 month period, an average of 2,855 miles per month (94 miles per day). However, the Mayor and these employees reside within city limits that covers only about 9/10 of one square mile of land and the other employees do not take their vehicles home. As a result, it is not likely all of the Mayor's fuel usage is justified or relates to city business.

The city does not report the fuel as a taxable benefit on the Mayor's W-2 form, and the Mayor does not prepare or submit a mileage log to record the



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personal and business use of fuel. Therefore, the city is not able to determine the amount of fuel used for personal business. The city should consider alternatives such as establishing a vehicle allowance to reasonably reflect the actual expenses incurred by the Mayor on behalf of the city.

Written agreements and guidelines governing usage of city purchased fuel are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure city monies are used appropriately and effectively. As further discussed in MAR section 4.3, the Council should authorize and approve all disbursements. IRS reporting guidelines indicate the current arrangement does not qualify as an accountable plan; therefore, the city must report the full value of the additional benefits provided to the Mayor. Because procedures have not been established to ensure IRS regulations are followed, the city may be subject to penalties and/or fines for failure to report all taxable benefits.

4.3 Council approval

The Council does not approve all disbursements. City personnel only submit a listing of payments that are considered non-recurring to the Council for approval and, as a result, the Council only approves a small percentage of total disbursements. City officials consider utilities, insurance, payroll, employee benefits and deductions, fuel, interfund transfers, and municipal court activities to be recurring types of expenditures. At least some of these types of disbursements are subject to significant fluctuation each month, are of higher risk, and/or are subject to abuse.

The Council approves non-recurring disbursements listed on a council approval report monthly; however, we determined that recurring disbursements were not treated consistently. The council approval report for November 18, 2015, included a payment for fuel but this type of purchase is considered to be a recurring expenditure per the written guidelines provided by the city. Also, the Council has not formally approved the list of recurring disbursements dated June 23, 2014, that was provided to us. In addition, we noted no formal approval occurs in the event that a Council meeting is canceled.

To safeguard against possible loss or misuse of funds, the Council should approve all disbursements and review supporting documentation, bank information, and canceled checks. Council approval of disbursements should be documented in the minutes, and by signature or initials on monthly reports.

4.4 Written contracts

The city does not have written contracts with some service providers and certain outside parties, or city personnel could not locate the contracts. City personnel could not provide written contracts for the information technology services vendor and various individuals providing contracted labor to the city. They provided a contract with the city attorney that was signed by the Mayor Pro-Tem, but the contract was not dated or approved by the Council.



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Clear and detailed written contracts are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure city monies are used appropriately and effectively. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

4.5 Unnecessary disbursements

We identified several wasteful or unnecessary disbursements.

- The city incurred \$940 in finance charges so that it could pay the annual workers compensation insurance policy premium. City officials indicated they had to obtain funding from a finance company to purchase the policy due to cash flow problems.
- The city incurred about \$2,400 in bank service charges on the 3 bank accounts that had the most financial activity during the year ended June 30, 2015. Similar charges were also incurred on other city accounts. As a cost savings measure, in March 2016 the Council voted to change the city's financial institution and open new accounts. However, we noted large service charges are still being assessed on the new accounts.
- The city paid conference registration fees and booked lodging arrangements for the Mayor and 4 councilmembers to attend a conference for local government officials; however, 3 councilmembers (2 former members and 1 current member) did not attend. While the city received a partial refund, the city forfeited about \$680 due to all registrants not attending the conference.
- The city paid a utility bill several weeks after the due date, incurring late fees of \$72.

Taxpayers have placed a fiduciary trust in the Council to spend public funds only on items necessary and beneficial to the city. These expenditures were not a necessary use of city resources.

Recommendations

The City Council:

- 4.1 Solicit bids and proposals for all applicable purchases and clarify city code to indicate when bidding or solicitation of proposals is required.
- 4.2 Implement a written agreement or guidelines governing the use of city purchased fuel. Also, the Council should consider using vehicle allowances or mileage reimbursement to better ensure the city is only reimbursing reasonable and necessary expenses incurred by officials while traveling on city business. In addition, the Council



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should ensure the city complies with IRS regulations for reporting taxable employee fringe benefits, and amend prior W-2 forms.

4.3 Review and approve all disbursements and ensure approval of disbursements is documented.

4.4 Enter into written contracts defining services provided and benefits received, and retain the contracts.

4.5 Ensure purchases are reasonable and prudent uses of public funds.

Auditee's Response

4.1, 4.3,
4.4, &

4.5 *The city fully intends to comply with the audit recommendations as well as all applicable laws and statutory requirements*

4.2 *The city has begun the process of drafting ordinances implementing a written guideline governing the use of city purchased fuel. The proposed ordinance addresses fuel allowances to ensure the city is complying with all relevant statutes and best practices. Additionally, the city intends to fully comply with the recommendation as it relates to the city's compliance with IRS regulations for reporting taxable employee fringe benefits and amend, when appropriate, prior W-2 forms.*

5. Sunshine Law

The Council generally meets twice per month and did not always comply with the Sunshine Law.

In May 2016, the city received a letter from the Missouri Attorney General's Office (AGO) outlining the results of that office's investigation and review of the city's compliance with certain aspects of the Sunshine Law. The AGO started the investigation after receiving a citizen complaint about closed meetings. The letter noted various concerns with the city's compliance with the Sunshine Law and requested city officials take various corrective actions. We identified similar concerns.

5.1 Record requests

The city does not timely respond to public record requests and does not maintain a log of record requests received to ensure all requests are handled in compliance with the Sunshine Law. City policy designates the City Administrator as custodian of records responsible for responding to public record requests. The City Administrator did not respond to a Sunshine Law request dated January 7, 2015, for police department reports and records, municipal division records, and meeting minutes, nor the second request dated January 22, 2015, for the same information. In response, the requestor filed a lawsuit that resulted in a judge ruling the city had purposely violated the Sunshine Law. The city was ordered to pay about \$6,300 in civil



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penalties and attorney fees as well as turn over the requested records. In addition, a councilmember was awarded a judgment of approximately \$32,000 in April 2017 resulting from the city's failure to respond to requests. As part of the ruling the judge found the city had committed 4 separate violations of the Sunshine Law. The city did not implement any changes in procedures to prevent future violations of the Sunshine Law. In addition, the City Administrator does not maintain a log of public record requests and does not always document the date a request is received. As a result, the handling of public record requests is not documented, the city cannot demonstrate compliance with the Sunshine Law, and the city cannot adequately defend itself against lawsuits involving public record requests.

Section 610.023, RSMo, provides each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request is received by the custodian of records. To ensure compliance with state law, the city should document adequate information in a log to determine if requests are completed timely and all requests are adequately filled. Necessary information includes, but is not limited to, the date of request, a brief description of the request, the date the request is completed or reason why the request cannot be completed, and any associated costs of filling the request.

5.2 Closed sessions

The city did not comply with state law regarding closed sessions.

Reasons for closing meetings Open meeting minutes did not document the specific reasons or section of law allowing the meetings to be closed. Most meeting notices and agendas included a statement that a closed session would be held, in the event the Council wanted to enter closed session, and the statement generally included the same list of potential discussion matters.

Section 610.022, RSMo, of the Sunshine Law, requires public bodies announce the specific reasons allowed by law for going into a closed session and to enter the vote and reason into the minutes. The section also limits discussion topics and actions in closed meetings to only those specifically announced prior to closure.

Allowable topics

Some topics discussed and voted on in closed Council meetings were not allowable under the Sunshine Law. For example, the Council discussed the employee handbook and manual on January 26, 2015, July 1, 2015, and March 16, 2016, in a closed session, rather than in an open meeting. Also, the Council discussed relocation of municipal court case files on April 1, 2015, and proposed changes to a departmental work schedule on September 28, 2015, in a closed session, rather than in an open meeting.



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Section 610.021, RSMo, provides that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law.

5.3 Meeting minutes

Minutes for several Council meetings could not be located, and sufficient documentation was not retained when Council meetings were canceled. In addition, for the minutes provided, the City Administrator had not signed them as the preparer, and some minutes had not been subsequently approved by the Council or not approved timely.

No minutes were provided for meetings held on July 2, 2014, and July 16, 2014, though subsequent minutes indicate the Council discussed approving minutes for these meetings. Also, no minutes were provided for a closed meeting held on June 1, 2015, or committee workshop meetings held on August 11, 2014, and October 9, 2014. It could not be determined if the minutes for these meetings had not been prepared or could not be located.

Minutes for several open and closed meetings were not approved by the Council, or were not approved timely by the Council. For example, minutes from 9 closed meetings held in September 2014, November 2014, December 2014, January 2015, March 2015, and April 2015 were not approved until May 2016.

Section 610.020, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of council actions and decisions. The meeting minutes should be signed by the City Administrator as preparer and subsequently approved by the Council to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings. Section 610.023.2, RSMo, requires the Council make records available to the public for inspection and copying. Without timely Council approval of meeting minutes, the public records of open Council meetings cannot be made available to the public for inspection within a reasonable time period.

5.4 Agendas

The city did not include sufficient details in meeting notices and agendas to advise the public of all matters to be considered. Notices and agendas included vague statements such as new business, unfinished business, and old business. In addition, the meeting notices and agendas were not provided for some meetings. It could not be determined if these notices and agendas had not been prepared and posted, or could not be located.

Section 610.020.1, RSMo, requires public entities to give notice of the time, date, and place of each meeting, and its tentative agenda, to advise the public of matters to be considered.



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Recommendations

The City Council:

- 5.1 Ensure requests for information are responded to timely and maintain a public request log to help ensure compliance with state law.
- 5.2 Ensure specific reasons for closing a meeting are documented in the open minutes, and ensure only topics allowed by state law are discussed in closed Council meetings.
- 5.3 Maintain complete and accurate minutes for all meetings and ensure meeting minutes are signed by the preparer. Also, ensure meeting minutes are timely reviewed and approved.
- 5.4 Ensure proper notification and agendas for public meetings are given and sufficiently detailed.

Auditee's Response

The city fully intends to comply with the audit recommendations as well as all applicable laws and statutory requirements.

6 Salaries and Employee Leave

The city made inappropriate vacation leave payouts to the City Administrator and overpaid a Councilmember. Also, the city pays elected officials significantly more than other similar cities.

6.1 City Administrator leave payouts

The City Administrator received two payouts of accrued vacation leave, one of which was not adequately supported by the city's leave records. These payouts violated the city's personnel policy and were not approved by the Council. In addition, while the Council was notified of concerns regarding the first leave payout, sufficient actions were not taken to further investigate the matter. Personnel policies do not specify who should authorize payment of accrued leave and the Council does not pre-approve payroll transactions, increasing the risk that improper payments may not be detected.

On April 23, 2014, the City Administrator was paid for 290 hours of vacation, costing the city about \$5,000. The check was signed by the former Mayor and former City Treasurer. The former Mayor Pro-Tem submitted a memo dated April 24, 2014, to the Council questioning the payment because the City Administrator's leave records showed a vacation balance of 90 hours, a difference of 200 hours. The city maintains manual leave records for each employee showing a running balance of vacation hours and sick leave hours earned and taken. Employees accrue vacation hours once per year on their anniversary date. We noted the City Administrator accrued 120 vacation hours in accordance with city policy in December 2013, prior to the payout. According to the City Administrator, the payout was valid because employee turnover in the bookkeeping department prior to 2014 resulted in record-keeping errors that understated her vacation leave balance



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by 200 hours; however, she provided no additional records or other documentation to support this claim.

The City Administrator's leave records provided to us in February 2016 showed that 200 hours of vacation leave were accrued and posted on April 18, 2014, but city officials could provide no other support or justification for this accrual. Also, the City Administrator's vacation balance reflected in leave records provided to us did not correspond to the records as described in the former Mayor Pro-Tem's memo and may have been altered. As a result, the payout is questionable.

The Council discussed this matter at its August 6, 2014, meeting but did not reach a final decision and did not fully resolve it. The Council did not discuss the matter in subsequent meetings, perform an official investigation, or document why the matter did not need to be further investigated.

In addition, the City Administrator was paid for 64 hours of vacation in December 2015, costing the city about \$1,100. These hours were appropriately verified and supported by the city's leave records. However, the Council did not approve the payout and the payout was not allowed by city policy.

The city's personnel policies specify that unused vacation hours will be paid out upon separation of employment or for an approved leave of absence, if certain criteria are met, and include no other provisions for vacation pay in lieu of actual time-off. Consequently, both vacation payouts to the City Administrator were not authorized by city policy and were not approved by the Council. To minimize unplanned expenses, city personnel policies should clearly define established policies regarding payment of accrued leave.

6.2 Mayor pro-tem salary

The city violated state law and overpaid an elected official who served a dual role.

The former mayor was removed from office by a judge's order in May 2014, and the position remained vacant until a new mayor was elected and took office in November 2014. During the time of the vacancy, a court-appointed receiver provided independent oversight over the city's financial transactions. The City Council elected a new Mayor Pro-Tem in September 2014 who served as Acting Mayor until November 2014 and continues to serve in the role of Mayor Pro-Tem. The city overpaid the Acting Mayor a pro-rated salary of about \$1,625 over a three-month period. During this time, she improperly received both the monthly salary as a councilmember of \$625 plus the monthly salary as mayor of \$1,667.



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State law does not allow payment of a dual salary for a mayor pro-tem. Section 77.240, RSMo, states "In the case of a temporary absence of the mayor or disability to perform the duties of his or her office, the president pro-tem of the council shall perform the duties of mayor until the mayor shall return or such disability be removed; and during the time the president pro-tem of the council shall act as mayor, the president pro-tem shall receive the same compensation that the mayor would be entitled to."

6.3 Elected official salaries

The Council has not performed any analysis to determine if the established salaries of elected officials are comparable to other similar cities, and whether any adjustments are needed.

We performed a comparison of certain elected official salaries to 4 other cities in St. Louis County with a similar population size and determined that Wellston ranks highest for the mayor and board/council member positions. We also noted Wellston was the only city in the group with a full-time mayoral position. We computed the average monthly salary of the other cities (mayor average \$563 and board/council member average \$363), and noted the Wellston Mayor's salary is about three times higher and the Wellston Councilmembers' salary is almost two times higher than the average. The following chart shows the salary comparisons.

Monthly salary comparison for
mayor and board/council member,
similar sized cities

City	Mayor	Board/Council Member
Clarkson Valley	\$ 450	\$ 100
Green Park	450	250
Moline Acres	600	500
Northwoods	750	600
Wellston	\$ 1,667	\$ 625 ¹

¹ Wellston is a 3rd class city governed by a mayor and city council, while the comparison cities are 4th class cities governed by a mayor and board of aldermen.

In addition, we noted several instances where the Council did not meet twice during the month as scheduled. For example, the Council only met once in September 2014 and did not meet during the month of February 2015.

Given the city's poor financial condition as noted in MAR finding number 2 and to ensure taxpayer funds are spent wisely, the Council should evaluate the compensation paid to city officials to determine if any changes are warranted.

Recommendations

The City Council:

- 6.1 Review and revise personnel policies to ensure provisions regarding vacation leave and payouts are clearly defined. Additionally, the



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Council should determine if recovery of overpayments is warranted, pre-approve any future vacation payouts before they occur, and develop procedures to monitor employee leave records.

6.2 Review and determine if recovery of the overpayment is warranted, and ensure any similar future payments, if needed, comply with state law.

6.3 Review the established salaries and consider whether they are still appropriate given the city's current financial condition.

Auditee's Response

The city fully intends to comply with the audit recommendations as well as all applicable laws and statutory requirements

Also, regarding recommendation 6.1, the city will review and revise the employee handbook, which was last updated in March 2016.

7. Restricted Monies

The city is not properly tracking and recording certain restricted monies. State motor vehicle-related and half-cent Capital Improvements Sales Tax (CIST) monies are comingled with general purpose monies rather than being accounted for in separate funds. These monies are deposited directly into the General Fund, and while the receipts of these restricted monies are now being tracked separately within the General Fund, the disbursements and balances are not. As a result, the city cannot determine what portion of the General Fund represents restricted monies. Also, the city cannot demonstrate disbursement of the funds occurred in accordance with state law, applicable ballot language, and/or city ordinance. During the fiscal year ended June 30, 2015, \$89,575 in motor vehicle-related and \$152,000 in CIST monies were deposited into the General Fund.

The city has an established Road and Bridge Fund that should be used to separately track and record the motor vehicle-related monies. Per discussions with city officials, the city has not initiated any capital improvements projects in recent years other than certain demolition and road projects funded by a federal grant. Thus, it is likely restricted motor-vehicle related and CIST monies deposited in the General Fund have been used for general purposes.

Missouri Constitution Article IV, Section 30(a) and 30(b), requires motor vehicle-related revenues apportioned by the state of Missouri be expended for street purposes only. As required by city ordinance and Section 94.890, RSMo, the capital improvements sales tax is to be used for the funding of capital improvements, including the operation and maintenance of capital improvements. Receipts and disbursements associated with restricted monies should be recorded in a fund or funds established to account for their usage and ensure compliance with state laws.



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Recommendation

Determine the amount of restricted monies in the General Fund and establish separate funds or a separate accounting of these monies.

Auditee's Response

The city fully intends to comply with the audit recommendations as well as all applicable laws and statutory requirements.

8. Capital Assets

The city does not maintain records of its capital assets including buildings, vehicles, equipment, and other property. Additionally, city personnel do not tag assets for specific identification or perform annual physical inventories.

Adequate capital asset records and procedures are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.

Recommendation

The city Council ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Council should also ensure city personnel properly tag, number, or otherwise identify all applicable city property and conduct and document an annual inventory.

Auditee's Response

The city fully intends to comply with the audit recommendations as well as all applicable laws and statutory requirements.

City of Wellston

Organization and Statistical Information

The City of Wellston is located in St. Louis County. The city was incorporated in 1949 and is currently a third-class city. The city employed 5 full-time employees on June 30, 2015.

City operations include maintenance of city streets and parks. Until June 2015, the city operated a police department that was subsequently disbanded and replaced by a contracted policing cooperative.

Mayor and City Council

The city government consists of a mayor and 6-member city council. The members are elected for 2-year terms. The mayor is elected for a 4-year term, presides over the city council, and votes only in the case of a tie. The Mayor and City Council, at June 30, 2015, are identified below. The Mayor is paid \$1,667 per month and City Council members are paid \$625 per month. The compensation of these officials is established by ordinance.

Nathaniel Griffin, Mayor
Latoya Scott, Councilmember
Janet Dixon, Councilmember (1)
Linda Garner, Councilmember
Dwight Whitfield, Sr., Councilmember (2)
Gracie White, Councilmember and Mayor Pro-Tem
Yvonne Hawkins, Councilmember (3)

(1) Janet Dixon was replaced by Crystal Reid in June 2016.

(2) Dwight Whitfield, Sr. was replaced by Samuel Shannon in June 2016.

(3) Yvonne Hawkins was replaced by Gloria Brown in June 2016.

Other Principal Officials

The City Treasurer, City Administrator, City Attorney, and City Bookkeeper are appointed positions. The city's principal officials at June 30, 2015, are identified below:

Vacant, City Treasurer (1)
Janice Trigg, City Administrator
Wesley Bell, City Attorney
Rosalyn Declue, City Bookkeeper (2)

(1) The position of City Treasurer was vacant during our audit period. Lloyd Brown was the former City Treasurer who served until June 2014. In June 2016, the Mayor appointed Linda Jackson as City Treasurer in a part-time capacity. She served until January 2017 and the position is currently vacant.

(2) Rosalyn Declue served as the full-time City Bookkeeper until she retired in July 2016. The position is currently vacant.

Financial Activity

A summary of the city's financial activity for the year ended June 30, 2015 follows. The information was prepared using monthly Treasurer's reports and bank records.

City of Wellston
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended June 30, 2015

	General Account	Traffic Account (1)	Payroll Account	Money Market Account	Bond Account (1)	Road and Bridge Account	Other Accounts (2)	Total
RECEIPTS	\$ 1,144,525	298,471	5,250	86	118,113	14,769	9,362	1,590,576
DISBURSEMENTS	582,089	57,488	1,085,616	296	107,692	3,740	11,358	1,848,279
RECEIPTS OVER (UNDER) DISBURSEMENTS	562,436	240,983	(1,080,366)	(210)	10,421	11,029	(1,996)	(257,703)
OTHER FINANCING SOURCES (USES)								
Transfer in	106,000	0	1,075,471	0	0	0	0	1,181,471
Transfer out	(743,040)	(309,431)	0	(23,000)	(102,153)	0	(3,847)	(1,181,471)
Total Other Financing Sources (Uses)	(637,040)	(309,431)	1,075,471	(23,000)	(102,153)	0	(3,847)	0
CASH, JULY 1, 2014	113,099	79,765	25,325	84,133	101,292	51,768	45,761	501,143
CASH, JUNE 30, 2015	\$ 38,495	11,317	20,430	60,923	9,560	62,797	39,918	243,440

- (1) The city has control over these accounts, which hold monies from the municipal court.
(2) Includes activity of 6 other checking accounts (one which was closed during the year) intended for a specific use (restricted monies) including money seized as evidence by the former police department.

City of Wellston

Comments from Ward 3 Councilmember

Ward 3 Councilmember Linda Garner requested that she be allowed to submit her own responses to the State Auditor's Office because she wished to provide additional detail not included in the city's responses.

- 1.1 Proposed resolutions will be introduced to the Council for ratification to enact policies and procedure for deposits and receipting.
- 1.2 Legislation will be presented to the Council for consideration and compliance with the recommendation.
- 1.3 The Appointment of a "City Treasurer" is required. The Code of Ordinances, City of Wellston, outlines the job description for this position, which will ensure detailed accounting and bank reconciliations are performed. The segregation of the accounting duties of city personnel will also be achieved by hiring a City Treasurer.
- 2 The current administration under the control of the mayor is refusing to turn over copies of all past due invoices, billed to the city, as ordered by the Council on February 15, 2017, and have failed to turn over various financial information and/or reports to the Council. A request for an investigation has been submitted to the proper authorities regarding the city's failure to respond to my requests for information via the Missouri Sunshine Law.
- 3.1 - 3.3 Monthly financial reports, invoicing and other financial information regarding the condition of the city are being intentionally withheld from the Council by the current administration under the control of the mayor. Compliance with the recommendations from the Missouri State Auditor's Office will be accomplished after this matter is fully addressed by the Council, in conjunction with the proper authorities.
- 3.4 I intend to submit proposed legislation to the Council for ratification to solicit for proposals to classify, codify, and print all city ordinances that are in force.
- 4.1 A proposed amendment to section 2.9, Code of Ordinances, City of Wellston, will be introduced to the Council for final passage.
- 4.2 This legislation is pending approval by a majority vote of all members of the Council.
- 4.3 A proposed resolution will be introduced to the Council for final passage to enact a policy for the review and approval of all disbursements from the city depository.
- 4.4 A proposed ordinance regarding contract agreements will be introduced to the Council. Many past and current contracts, including the contract with the city attorney and the information technology vendor, have never been presented to nor approved by a majority vote of all members of the Council. These contracts have been entered into unlawfully. All written correspondence regarding the terms of the contracts and the payments made to many independent contractors have been withheld from the Council.
- 4.5 Legislation will be presented to the Council for consideration and compliance with the recommendations.
- 5.1 A proposed resolution will be introduced to the Council for final passage enacting policies and procedures to ensure the city maintains compliant with the Missouri Sunshine Law.



City of Wellston
Comments from Ward 3 Councilmember Linda Garner

5.2 Legislation will be presented to the Council for consideration and compliance with the recommendations.

Many topics are being discussed in closed session meetings that are a violation of Section 610.022, RSMo. This activity is escalating. In January 2015 the mayor recommended that no one shall be allowed to audio record closed session meeting, including the city clerk, who is responsible for accurately recording the minutes. At that time only the city clerk and I were recording meetings. The Council approved the recommendation of the mayor.

This decision has played a major role in unwarranted and escalating legal cost to the city. No record of unethical activity is now discoverable by a court of law and many legal actions taken and billed to the city by several attorneys have never been approved by a majority vote of all members of the Council.

5.3 Legislation will be presented to the Council for consideration and compliance with the recommendations. The City of Wellston stopped recording open session meetings in 2016. Effective March 2017, the current administration has been ordered by the Council to begin recording all open session meetings to ensure accuracy of the minutes.

5.4 Legislation will be presented to the Council for consideration and compliance with the recommendations. The current administration under control of the mayor have moved certain city business to the end of the agenda. This action does not allot sufficient time for the Council to conduct city business. Often the Council does not address new and unfinished city business until the last 15 minutes of the meeting, at approximately 8:45 p.m., with constant interruption from the mayor and instructing Council members that they have 2 minutes to speak. This activity will be addressed by the Council. The changes made to the agenda violate the code of ordinances section 2-33, Order of Business, and discourage citizen participation as it relates to discussion regarding the financial condition of the city.

6.1 - 6.3 I intend to submit legislation to the Council for consideration and compliance with the recommendations.

7 Proposed resolutions will be introduced to the Council to enact policies for all bank accounts in the city depository including restricted accounts.

8 I intend to submit legislation to the Council for consideration and compliance with the recommendations.

Overall Many decisions have and still are being made on behalf of the City of Wellston without approval by a majority roll call vote of the Council.

These decisions include the written responses prepared by the City Attorney and submitted to the State Auditor's Office in response to the recommendations contained in this audit report, many legal actions taken on behalf of the city, expenditures using city funds, the hiring of contractors, and also the use and spending of the Community Development Block Grant Funds. The decision to negotiate the disbanding of the Wellston police department was never presented to the Council until after the contract had been negotiated by the Mayor and City Attorney, and the contract was already signed by the Mayor prior to it being provided to the Council for review and approval.