

**City of Eudora  
239 S. Main St.  
Eudora, Chicot County, AR 71640**

**WILLIAM STANTON, MAYOR  
JOSEPH MAZZANTI, ATTORNEY  
ALEXIS RISPER, CLERK/TREASURER**

**BOARD OF ALDERMEN  
MABEL ALLEN  
FRANK FARRIS  
CHARLENE TAYLOR  
STEPHEN TISDALE**

**DENNIS BUTLER  
BECKY SERIO  
ROBERT THOMAS, JR.  
DANITA TURNER**

**MINUTES OF THE EUDORA CITY COUNCIL  
SPECIAL CALL MEETING  
JUNE 13, 2013**

**The meeting was called to order by Mayor Stanton at 6:00 P.M. There were five (5) aldermen present at roll call. Alderman Tisdale arrived shortly after roll call. Aldermen Serio and Taylor were not present.**

**The purpose of the meeting was to discuss the findings of the Eudora Water Works Audit and the 2011 Legislative Audit reviews and recommendation.**

**Due to the July 4<sup>th</sup> holiday falling mid week Mayor Stanton asked that the meeting be changed to Monday, July 8<sup>th</sup>. Alderman Thomas made the motion to change the July 1<sup>st</sup> meeting to July 8<sup>th</sup>. Alderman Butler seconded the motion. Motion carried.**

**Mayor Stanton and the council discussed the audit reviews. Mayor Stanton meet with Mr. Maxwell, his company performed the audit report for the Water Dept. The report consists of 400-500 pages. The Mayor discovered some things that should have been brought out in the May 6<sup>th</sup> meeting. Some adjustments need to be made. Mr. Terrell works directly with Mr. Craig. Mr. Craig is also available. Mr. Rogers will be at city hall, please feel free to come down and ask questions about the Legislative Audit. He is performing the 2012 audit.**

**Some information with the Water Audit is not tangible. There is a financial range in the audit report of \$9,000.00-\$18,000.00. There is a margin of error. It's in the negative. The error could be a plus or minus. If negative it could be 9-18,000.00 less and if positive it could be 9-18,000.00 more. The audit said it was a negative range. The auditor took three (3) years of audit reports and averaged out and came up with a figure. This is ok for a financial audit according to standards. The water audit states that internal controls and operational performance needs improvement.**

- 1) a liability of outstanding water deposits due back to customers have grown over the years. The liability was \$100,998.62. Cash deposits on hand are \$26,568.68;**
- 2) monies that are required to be kept on hand for bond agreements have been used for operational needs. For each bond a minimum of \$25,000.00 should be in the bank;**
- 3) duties are properly segregated and**
- 4) operational cost are up. Revenues are down \$155,000 since 2006 and down \$110,000.00 since 2008. Expenses continue**

to climb. Repair and Maintenance costs were up \$26,000.00 from 2006 results and \$23,000.00 from 2008 figures.

There are four active bonds that we're paying on. Alderman Allen asked how much cash money the city had in the water dept. Mrs. Turner responded \$83,900.00. It was also made known that no books had been kept on the Sewer Dept. since 2006.

Alderman Tisdale asked was it dangerous running a water dept. without books and Alderman Thomas asked if not keeping a ledger on water/sewer if we are in a better position now to know where we are? Yes, was the response. Alderman Thomas also stated audits are done for better performance, are we putting things in order? Yes.

Alderman Allen asked if the water fund was \$254,000.00 in debt? Mayor Stanton stated that the city had a loss of water consumption. The catfish plant had a great reduction in water consumption. Mr. Terrell told the council that the city is not \$200,000.00 in the hole. Alderman Tisdale stated that revenue has increased, changes in personnel and lots of delinquent accounts have been caught up.

The council can respond in writing to the Legislative Audit Findings in one week.

Audit findings from the Legislative Audits were 1) wages rates were not reflected in minutes nor budget; 2) cash receipts and disbursements weren't maintain for Sales Tax bond (Park and food pantry); 3) pre-numbered receipts were not issued for all items of income; 4) documentation of collateralization of city funds was not compiled and provided; 5) endorsement side of returned checks was not provided; 6) pre-numbered checks were not used for all bank account; 7) fixed assets records were not established 8) General, Summer-fest and Senior Citizen Bldg. had negative balances, 9) the city did not properly remit and submit payroll taxes and 10) expenditures exceeded appropriations for the General and Street funds.

The Mayor has written a response to the audit findings.

The Mayor stated that a new business will be coming into Eudora. It will be located on Hwy. 65.

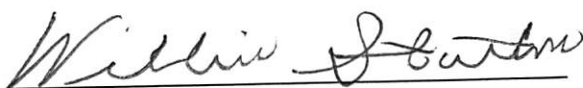
Chicot County Sheriff, Mr. Ronald Nichols, addressed the council asking that Chief Watkins be more visible to assist him and his guys when they're called in to help.

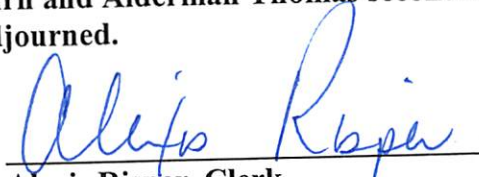
Alderman Allen made the motion to turn the 2011 Water and Legislative Audit Findings over to the prosecuting attorney, Mr. Thomas Dean. She's requesting a state investigation. Alderman Farris seconded the motion. Motion carried.

Alderman Thomas informed the city and council that he is working with a group from the Lake Village Health Dept. called Chicot County Home Town Health

Improvement Committee. The group seeks grants to cut down on chronic diseases. There is a lot of money out there for health initiatives. It encourages people to be healthy. Lake Village has used our committee to seek grants for the Augusta Park and to make repairs to the Chicot County Park. Mrs. Jennifer Connors wants to be placed on the August agenda to speak to the citizens of Eudora.

Alderman Butler made the motion to adjourn and Alderman Thomas seconded the motion. Motion carried. The meeting is adjourned.

  
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William Stanton, Mayor

  
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Alexis Risper, Clerk

