

STATE OF TEXAS:

COUNTY OF MILAM:

BE IT REMEMBERED, that on Monday, the 11th day of January A. D. 2016, the Commissioners' Court of Milam County, Texas, convened in Regular Session in the Commissioners' Courtroom, Milam County Courthouse, 102 S. Fannin, Cameron Texas, with the following members of the Court present, to-wit:

DAVID BARKEMEYER, COUNTY JUDGE

RICHARD "OPEY" WATKINS, COMMISSIONER PRECINCT NO.1

DONALD SHUFFIELD, COMMISSIONER PRECINCT NO. 2

JOHN FISHER, COMMISSIONER PRECINCT NO. 3

JEFF MUEGGE, COMMISSIONER PRECINCT NO. 4

BARBARA VANSA, COUNTY CLERK

**Others present, to-wit
John Redington, Legal Counsel**

And the proclamation having been made the Court was in session, the following business came on to be considered:

#1 – CALL MEETING TO ORDER & ESTABLISH QUORUM – 10:00 a.m. – All present

#2 – PLEDGE OF ALLEGIANCE – U. S. Flag. "Honor the Texas Flag", I pledge allegiance to thee, Texas, one State, Under God, one and indivisible

#3 – MINUTES – Motion by Commissioner Muegge, seconded by Commissioner Fisher to approve the minutes as presented to the court. This motion having been put to vote prevailed, the vote being unanimous.

- **December 28, 2015 – Regular Meeting**

#4 – PUBLIC PARTICIPATION – none

#5 – AUDITORS REPORT – See power point @ www.milamcounty.net

- **December 31, 2015 Final Results**

- **\$6,619,600 - Ad Valorem Taxes (101%) – budgeted amount \$6,522,869**
- **+ \$3,652,000 - Projected Annual Other Revenue**
- **\$10,272,600 - Total Projected 2015 General Fund Revenues (Revenue Budget is \$9.85m w/o reserves)**
- **- \$10,166,300 - 2015 Expenditures (Expense budgets is \$10.75m)**
- **+ \$106,300 Projected Year End 2015 Balance (Rounded)**
- **+ \$720,000 Current General Fund Reserves**
- **\$826,300 Reserves beginning 2016**
- **December expenditures = \$724,279**
- **Judge – Thanks to everybody for an excellent year. Thank you to the Sheriff for housing the out of county prisoners and all other departments.**
- **TIF projects**
 - **Pct 1 – complete**
 - **Pct 2 – paperwork not complete**
 - **Pct 3 per Susan Reinders – money should be direct deposited this week**
 - **Pct 4 – finished project, money still out**
- **Judge – real story for all of us: We don't know what 2016 holds for us. We have done what we needed to do. Cutting personnel, spending in Departments. We needed to be prepared with what may happen. Hopefully Luminant Lawsuit will be settled before getting into the 2017 budget planning from the Tax Rate & Budget stand point.**
- **Non-Budget Funds**
 - **#60 – Ad Valorem Tax Money - \$2,195,700 plus additional that has come in since 01/01/16. We will have to operate on less money because of lawsuit.**

#6 – TREASURERS REPORT – See power point @ www.milamcounty.net

- **\$7,264,455.56**

#7 – COMMISSIONER'S PRECINCT UPDATE –

- **Pct 1 – Working this morning in Sharp**
- **Pct 2 – Blading roads and patching; waiting on materials**
- **Pct 3 – Blading; lot of pot holes; hauling big rock and spending lot of money on rock**

- **Pct 4 –potholes; working on equipment; now using winter patch; hauling base; clean up blind spots**
- **Judge – Interstate 14 Proposal Meeting – Thursday January 21 2 11:00 a.m. @ Brazos County Annex, 200 South Texas Avenue, Bryan Texas**

#8 – COURT CASE UPDATE – See power point @ www.milamcounty.net

- **No report available from District Court**

#9 – UTILITY INSTALLATIONS – None

#10 – PERMISSION FOR ENTRY AND WAIVER OF CLAIMS – Motion by Commissioner Watkins, seconded by Commissioner Shuffield to approve the Permission for Entry and Waiver of Claims – Consent given by JOEL WALZEL for Milam County and its employees to enter his property located at CR213 in Precinct 1. This motion having been put to vote prevailed, the vote being unanimous.

***** continued on next page *****

#11 – APPROVE MUTUAL AID AGREEMENTS WITH FIRE DEPTS –

Motion by Commissioner Shuffield, seconded by Commissioner Watkins to approve the Memorandum of Agreement between Milam County, Texas and **Bartlett Volunteer Fire Department – Davilla Station**. This motion having been put to vote prevailed, the vote being unanimous.

Motion by Judge Barkemeyer, seconded by Commissioner Fisher to approve the Memorandum of Agreement between Milam County, Texas and **Buckholts Volunteer Fire Department**. This motion having been put to vote prevailed, the vote being unanimous.

Motion by Commissioner Shuffield, seconded by Commissioner Muegge to approve the Memorandum of Agreement between Milam County, Texas and **Burlington Volunteer Fire Department**. This motion having been put to vote prevailed, the vote being unanimous.

Motion by Commissioner Watkins, seconded by Commissioner Shuffield to approve the Memorandum of Agreement between Milam County, Texas and **Cameron Volunteer Fire Department**. This motion having been put to vote prevailed, the vote being unanimous.

Motion by Commissioner Fisher, seconded by Commissioner Muegge to approve the Memorandum of Agreement between Milam County, Texas and **Gause Volunteer Fire Department**. This motion having been put to vote prevailed, the vote being unanimous.

Motion by Commissioner Fisher, seconded by Commissioner Muegge to approve the Memorandum of Agreement between Milam County, Texas and **Milano Volunteer Fire Department**. This motion having been put to vote prevailed, the vote being unanimous.

Motion by Commissioner Watkins, seconded by Commissioner Shuffield to approve the Memorandum of Agreement between Milam County, Texas and **Minerva Volunteer Fire Department**. This motion having been put to vote prevailed, the vote being unanimous.

Motion by Commissioner Fisher, seconded by Commissioner Muegge to approve the Memorandum of Agreement between Milam County, Texas and **Rockdale Volunteer Fire Department**. This motion having been put to vote prevailed, the vote being unanimous.

Motion by Commissioner Muegge, seconded by Commissioner Fisher to approve the Memorandum of Agreement between Milam County, Texas and **Thorndale Volunteer Fire Department**. This motion having been put to vote prevailed, the vote being unanimous.

#12 – DISCUSS AND TAKE POSSIBLE ACTION ENTERING INTO CONTRACT FOR PROFESSIONAL ACCOUNTING SERVICES FROM ATCHLEY AND ASSOCIATES –

Motion by Commissioner Muegge, seconded by Commissioner Watkins to enter into a contract with Atchley and Associates for an External Audit of the Milam County Tax Assessor Collectors Office. This motion having been put to vote prevailed, the vote being unanimous.

From: Frank H. Stover [<mailto:fstover@atchleycpas.com>]

Sent: Tuesday, January 05, 2016 12:07 PM

To: jredington@milamcounty.net

Cc: Robert Marchbanks

Subject: Assessor/Collector Engagement

John,

Having reviewed the information from our conversation this morning and referring to our work schedule.

Robert and I could make arrangements to:

1. We would assign a senior accountant and myself to the engagement.
2. We would realign our work schedule to be on-site the week of 2/1/2016.
3. We would review internal controls for the handling of (i) return check fees, (ii) Vehicle Inventory Tax interest funds, and (iii) cash handling/deposits by the Tax Assessor/Collector's Office.
4. We would review the work done to determine the estimated \$7,500 misappropriated funds by the prior Tax Assessor/Collector – if we believe any significant areas were overlooked, we would provide recommendations for further work for your consideration. Also, on a sample basis, we would re-perform some of the work done to arrive at the estimated \$7,500.
5. We would issue a report of our procedures performed, any findings resulting from such work, and provide recommendations regarding improvements to the internal controls in these areas.

We estimate our fees to be \$12,000 - \$14,000 and our out-of-pocket expenses to be \$1,000 - \$1,500. We would make every effort to perform the engagement efficiently and at the least possible cost to the County. If the above is agreeable to you, we will provide an engagement letter for signature and adjust our personnel schedule.

Also, I have visited the County's website but did not see a link to an annual County Financial Statement Audit (nor CAFR). If the County has used an auditing firm in the past, we would request authorization to speak with them and review their working papers file to assist us with documentation of the system of internal controls for those areas cited above.

Thank you very much and we appreciate the opportunity to be of service to Milam County.

Mr. Kunkel has provided me with Randy's contact information. I will call him this afternoon.

Sincerely,

Franklin H. Stover, CPA/CFF/CGMA, CFE

Audit Department

Manager

Atchley & Associates, LLP

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(Information provided by John Redington, Milam County Assistant District & County Attorney)

Court Discussion:

John Redington, Assistant County & District Attorney stated Atchley and Associates is a different firm than Patillo, Brown & Hill. Redington, Auditor Danica Lara and Doug Kunkel, Investigator had a conference call with Franklin H. Stover.

We want them to work close with Doug Kunkel. Will do some general rummaging around the office to make sure there are no other irregularities; they can start the first week of February.

Shuffield – what's the \$7500?

Redington – misappropriated funds by the prior tax assessor, what we know at this time I think it's different funds in the office. The investigation is still ongoing.

Judge – I would hope it (Audit) would show what exactly happened. The public, taxpayers, cities & schools need to know. With the plea bargain, hopefully it will help find out.

Redington –should give a more specific reporting of findings.

Judge – Do you want to authorize me to sign or do we want to come back at the next meeting & sign off on the contract?

Redington – Regarding the restitution owed to the County, Mrs. Morgan had two \$100,000 bonds and I have given notice of our claim so the county may have some recourse. These are the same type of bonds required by law that you may remember when approving Ms. Cervantes' bonds.

#13 – DISCUSS, CONSIDER AND POSSIBLY TAKE ACTION ON COURTHOUSE SECURITY MEASURES REGARDING ENACTMENT OF "OPEN CARRY" – Motion by Commissioner Shuffield, seconded by Commissioner Muegge approve prohibiting the Open Carry of Firearms in the County Courts and County Offices - Courthouse, Justice of Peace Courts, Adult Probation, Juvenile Probation and County Clerk's Office. This motion having been put to vote prevailed, the vote being unanimous.

Court discussion:

Redington – review Attorney General opinions; stated Bell County Courts are off limits to handguns or weapons of any kind. We need a formal declaration where weapons could be carried.

Michelle Poston stated per Attorney General Opinion the Commissioners Court would need to approve for her to post at the Adult Probation Department.

JP, Andy Isaacs – based on the Attorney General opinion you still have to verbally let them know; it is a very complicated law.

Judge – the signs have to be a certain size & font.

Fisher – what about on the grass?

Redington – Don't have to give written notice. Answer to Fisher – you probably are ok to carry on sidewalk.

Sheriff Greene – I get sued so much; I personally think signs should be up; TAC says we will be sued.

Redington – declaring the areas being utilized by the courts; I will be happy to discuss with you Sheriff where I'm getting information to not put up.

Sheriff – our Sheriff's convention stressed "signs".

Muegge – stated Representative Gonzales from Williamson County said do what you feel is right, we will support you. More information to come in 2017.

Judge – Declare courthouse, etc. off limits.; Jim Allison told the County Judges take action as you see necessary.

Redington – County Clerk's Office should be determined to be "utilized by the court".

Donna Orsag , Treasurer – Ken Paxton to the Treasurers they cannot and I talked to our MHMR department because our offices join and they cannot post signs.

Maribeth Sexton, Health Department – cannot put signs

JP1 Rick Gommert – JP1 & 2 covered with Sheriff's Department and Jail

Shuffield – I agree with David (Sheriff) more notification.

JP4 Gary Northcott – making sure I am exempt from non carry / Redington – yes

Judge – we will order signs

#14 – DISCUSS AND TAKE POSSIBLE ACTION RESOLVING TO CONTRACT FOR THE SALE OF REAL PROPERTY – Motion by Judge Barkemeyer, seconded by Commissioner Watkins to approve the Earnest Money Contract in the amount of \$10,000 and the buyer to assume removal of tanks. This motion having been put to vote prevailed, the vote being unanimous.

Discussion –

Judge - \$30,000 to \$40,000 range for the County to removed underground tanks.

Redington – TCEQ doesn't have record of the tanks

Judge – this will get the property back on the tax roll & off our insurance.

Note – Buyer : Reyes Wash Service, LLC

#15 – ACCEPT RESIGNATION OF JOHNNIELYN BROWN AS PRESIDENT OF MILAM COUNTY HISTORICAL COMMISSION - Motion by Commissioner Muegge, second by Commissioner Fisher to accept the Resignation of Johnnielyn Brown as Milam County Historical Commission President. This motion having been put to vote prevailed, the vote being unanimous.

#16 – APPROVE RECOMMENDATION OF JOHN PRUETT TO BE APPOINTED TO THE MILAM COUNTY HISTORICAL COMMISSION – Motion by Judge Barkemeyer,

seconded by Commissioner Fisher to appoint John Pruett to the Milam County Historical Commission. This motion having been put to vote prevailed, the vote being unanimous.

#17 – DISCUSS LOCAL GOVERNMENT CODE TIME FOR MAKING DEPOSITS FOR MILAM COUNTY OFFICIALS -

Wayne Horkheimer prepared a handout with information he wanted addressed.

Discussion -

Horkheimer opened discussion relating to his handout .

Isaacs – how do you define “not adequate” / Horkheimer – will talk about it later

Muegge – there’s 17 pages to this code, where are the other pages, we only got this one / Horkheimer – this page is very specific

Horkheimer – the Auditor & Treasure have different interpretations

**Shuffield – also says counties with fewer than 50,000 and we are under 50,000
Reading from Horkheimer’s handout referring to LGC 113.022(a)**

Lisa Roden, Concerned citizen – If the money was in the bank wouldn’t it be earning interest?

Frank Summers – back when, I remember Walter Pond with RISD contacting me because he was concerned about money being held by the Tax Office and not getting to RISD quick enough to get credit.

Horkheimer – the investigation is not over yet, everyone could be considered a suspect

Horkheimer – asking Lydia Cervantes, Interim Tax Assessor Collector – is everything deposited?

Cervantes – Yes everything from Friday except vehicle money. No current routine.

JP4 Northcott – deposit bin bank on Friday and is within 5 days

Horkheimer – golden rule is deposit daily

Judge – golden rule is 5 days

Muegge to Summers – if you deposit after 2:00 or something like that it goes to the next day

Judge – money needs to go to the bank; External Audit will advise

Redington – External Audit will advise

Horkheimer – it can be done, other county does

Cervantes – they have 9 employees, we have 4 and only 1 who does that

Horkheimer – 337 pages of investigation for \$7500; it appears when Elected Officials get in they can do what they want.

Judge – all departments need to comply with the Government Code; if any are not then need to

Orsag – notified by spreadsheet

Cervantes – trying every other day because so much money paid on taxes

Horkheimer – loss of interest on weekly deposits

Judge – I believe we are headed in the right direction.

#18 – APPROVE RACIAL PROFILING REPORT – Motion by Judge Barkemeyer, seconded by Commissioner Muegge to approve the Racial Profiling Report presented by Johnnie Beathard, Milam County Constable Precinct 3. This motion having been put to vote prevailed, the vote being unanimous.

#19 – APPROVE DEPUTATION OF ROBERT WEYAND, SHERIFF DEPT – Motion by Commissioner Shuffield, seconded by Commissioner Watkins to approve the Deputation of Robert Weyand as Deputy for the Milam County Sheriff’s Department.

#20 – APPROVE DEPUTATION OF DONNA KIMBREL, DISTRICT CLERK’S OFFICE – Motion by Commissioner Muegge, seconded by Commissioner Fisher to approve the Deputation of Donna Kimbrel as Deputy for the Milam County District Clerk’s Office.

#21 – APPROVE COUNTYWIDE POLLING PLACE PROGRAM – Motion by Commissioner Muegge, seconded by Commissioner Fisher to approve the authorization from the State of Texas, Secretary of State for Milam County to continue its elections using countywide precinct polling places. This motion having been put to vote prevailed, the vote being unanimous.

#22 – APPROVE PRIVATE ROAD 4128 – Motion by Commissioner Muegge, seconded by Commissioner Fisher to TABLE Private Road 4128. This motion having been put to vote prevailed, the vote being unanimous.

#23 – APPROVE PRIVATE ROAD 2240 - Motion by Commissioner Watkins, seconded by Commissioner Muegge to approve Private Road 2240, CR224, Precinct 1. This motion having been put to vote prevailed, the vote being unanimous.

#24- BILLS – Motion by Commissioner Muegge, seconded by Commissioner Fisher to approve the payment of bills in the amount of \$428,075.41 as presented to the court. This motion having been put to vote prevailed, the vote being unanimous.

- **Bea’s Kitchen will receive \$80,000 from the Williams Foundation for 2016.**

#25 - ADJOURN – Motion by Commissioner Fisher, seconded by Commissioner Muegge to adjourn @ 11:40 A.M. This motion having been put to vote prevailed, the vote being unanimous.

The above and foregoing Minutes examined and approved in Open Court this 28th day of December 2015.

County Judge

**State of Texas:
County of Milam:**

I, Barbara Vansa, County Clerk, Milam County, Texas, attest that the foregoing is a true and correct accounting of the Commissioners' Court authorized proceedings for December 14, 2015.

**County Clerk and Ex-Officio Member of
Commissioners' Court, Milam County, Texas**

STATEMENT OF APPROVAL

December 14, 2015

Commissioner of Precinct No. 1

Commissioner of Precinct No. 3

Commissioner of Precinct No. 2

Commissioner of Precinct No. 4

**POWERPOINT
PRESENTATION
JANUARY 11 2016**

**Minutes from the January 11 2016 Milam County
Commissioners Court meeting ends on**