

THE TOWN OF SWANSEA
COUNCIL
GENERAL MEETING
8/22/2022
6:00 P.M.

ATTENDANCE

Mayor Viola McDaniel
Mayor Pro Tem Linda Butler
Councilman Michael Luongo
Councilwoman Doris Simmons
Councilman Jerome Williams

The meeting was called to order by Mayor McDaniel at 5:00. She asked Council if there was a motion to go into Executive Session. A motion was presented by Councilman Jerome Williams and Second by Councilwoman Butler.

Motion passed unanimously.

Motion presented by Councilman Luongo and seconded by Williams.

Motion passed unanimously.

Mayor went into the General Meeting. She asked, if there were any actions from Executive Sessions.

Councilman Luongo presented a motion to amend the agenda to allow Council to take actions on Items from Executive Session. It was second by Councilwoman Simmons.

Motion passed unanimously.

The meeting was called to Order and all media notifications were sent out, with the proper postings at Town Hall, Police Department and the Town's Website.

Council had a quorum to move forward with the meeting.

The agenda was followed with a 20 second silent prayer and the Pledge of Allegiance was recited.

Mayor asked for an approval of the minutes for 7-14-2022. A motion was made via Councilman Luongo and second by Councilman Williams.

Motion passed unanimously.

The minutes of 7-18-2022 was approved with corrections in paragraph 4 with Williams as a second on a vote.

Motion passed unanimously.

The minutes of July 25, 2022 with a motion by Councilwoman Simmons and 2nd via Councilman Williams.

Motion passed unanimously.

Town Auditor John Brown presented to Council the Audit Review for the Town of Swansea. He thanked Mayor and Council for giving him the opportunity to do the Audits for the Town of Swansea. Brown then made a presentation to Mayor and Council stating the following:

- Brown stated that he attended a meeting on April 4, 2022 to present the finding of the audit for 2020 to 2021. However, Council did not have a quorum and the meeting was canceled.
- In fiscal year 2020 an independent CPA firm maintained the books and the reports for that year was unqualified. (Good)
- Regarding the fiscal year 2021 report- it was disclaimed (Brown did not provide an opinion) because:
 - Beginning balances did not agree with prior year ending balances
 - Accounts receivable – money due to the Town and accounts payable – money the Town owes were not recorded
 - Fixed asset activity (which is property and equipment) was not computed or recorded. An understatement of assets of at least 3.3 million dollars.
 - This problem occurred because Town accounting personnel did not record and account for fixed assets in the account system.
 - There was no record was provided of fixed assets purchased in fiscal year 2021.
 - Assets were understated, not missing. (Property and equipment).
 - No liquid assets were missing.
 - With some additional findings.

Mr. Brown stated, he requested Council to present their questions in writing regarding the report prior to the meeting and he would respond in writing. He received questions from Councilwoman Butler and the others from Councilman Williams.

Councilwoman Butler (Questions) Please give clarification on the 3.3 million? Who gave you the information for the audit?

- (Brown Answer) The \$3.3 million dollars mentioned in the audit report is related to fixed assets (property, plant and equipment). The problem occurred because the Town's accounting personnel did not record fixed assets in the accounting system. When he attempted to test fixed assets by comparing the fiscal year 2020 ending balance to the fiscal year 2021 beginning balance, there were no amounts included for fiscal year 2021.
- Mr. Brown indicated this is why he reported that fixed assets were understated by at least \$3.3 million dollars which was the balance of the fixed assets in fiscal year 2020. The records were provided by Tammy McCathern.

Councilman Williams (Questions) in your professional opinion, what area did you see the most assets missing? Do you feel in your opinion that the Town of Swansea is missing 3.3 million in

assets? Was an audit done for the year 2020? If the Town of Swansea redid the audit, would the (3.3 million) be the same?

- (Brown Answers) The problem is that fixed assets were not recorded on the trial balance he received, nor did the Town provide a detailed fixed assets schedule. Because he did not receive this schedule, Mr. Brown could not determine if some fixed assets are missing or not. An audit was performed by Mr. Brown for the fiscal year 2020 and the Town received an unqualified (clean) opinion.
- If the Town had the fiscal year 2021 audit performed again the outcome would most likely be the same if the same trial balance and general ledger were provided to the auditor.

Mr. Brown asked if there were any further questions regarding the 2021 audit report. He asked that we allow them to be submitted to Town Hall in writing and he will obtain them and respond in writing.

Mayor request a consideration for the second Reading of the Budget for 2022 to 2023.

Melissa Harrill Reviewed the Budget to all of Council. She indicated the Budget did not change between the First and Second Reading. She understood there were 3 contracts of concerned; the Budget already had imbedded a growth factor for some cushion. Which would cover 2 increases and most of the third increase with a net of \$325.00. She did not recommend an amendment in the 1st and 2nd Reading of the Budget.

Mayor asked for a motion to consideration to accept the 2022-2023 Budget for the fiscal year. The motion was place on the floor via Councilwoman Butler and Second by Councilman Williams.

Motion passed 3-2. Luongo (No); Simmons (No)

A motion was placed on the floor via Councilman Williams to exclude the 2021-2022 Budget extension and second by Councilwoman Butler.

Motion passed unanimously.

Councilwoman Simmons made a motion to accept the change in the Council Meeting Date to the 4th Monday of each month. The motion was second by Councilwoman Butler.

Motion passed unanimously.

Mayor shared, the Town needed to appoint the Debt Setoff Officer. A motion by Councilwoman Simmons was put on the floor to reappoint Councilman Luongo as the Debt Setoff Officer for the year 2022. The motion was second by Councilwoman Butler.

Motion passed unanimously.

POLICE REPORT

Chief Williams gave his monthly report for July 2022 for the Police Department. He had 76 Traffic Tickets; 4 Accident Reports and 43 Incident Reports.

- Thank everyone that supported the School Drive
- 50 Back packets fill with School Supplies
- Increase present of police around the schools
- September 9th Mouser graduating from the Police Academy
- Crime Watch will have another startup date
- NRA Grant for the Fire Range
- 9/17 Pull walk – Strength in Unity Against Crime
- 9/24 Working with Swansea High School Home Coming Parade

WATER REPORT

Kevin Houser submitted a written report

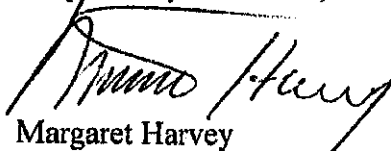
STREET MAINTENANCE

Zachary Smith submitted a written report.

The Mayor Thanked Council for her Budget. There was no other business to discuss; therefore, there was a motion to adjourn by Councilman Williams and second by Councilwoman Butler.

Motion passed unanimously.

Respectively Submitted,


Margaret Harvey