

## *Memorandum*

**Date:** June 3, 2023  
**To:** Mayor and Council Members  
**From:** Lisa Taylor, City Manager  
**RE:** Report

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Greetings, Mayor and Council Members

At this time, I want to share the following updates:

- **Audit Information** – We have received the FY 21-22 Annual Auditor Report. It will be included on the agenda for the June 13 regular council meeting. Someone from the Audit firm will be here to present the audit report and answer questions from Council. A draft of the audit is attached to this report for your review.
- **Payroll** – As you may remember from a previous report, auditors found where errors were made in payroll a few times over last fiscal year. We are all human, and people make mistakes. The errors were made then there were three employees reviewing the time entry and payroll. Since that time, to compound the issue, we have partially upgraded to a newer version of software that does not interface with the former version. We now must transfer time entry from one version to the other, which potentially opens us up for additional errors. We have timeclocks, which will interface with this new version of software, and will take away much of the potential for human error. These timeclocks were purchased a few years ago, and we have been waiting to learn the new software and work the bugs out before moving to the timeclocks. The staffing shortage in the IT and HR departments has caused additional delay, but we hope to have the timeclocks up and running within a couple of months. Of note, I did visit with the City Attorney regarding the reconciliation of time entry and payroll and was told that I do not have the authority to bring in a neutral party to conduct the reconciliation without Council approval. The proposed contract would be for a total of \$3,200 and reconciliation would be completed within one week. This reconciliation is necessary, and needs to be conducted before the end of this fiscal year.
- **Budget** – Our team has been working to answer questions from Council regarding the proposed FY 23-24 Budget, as follows:
  - **Overtime** – Historically, the City of Durant spends more than one half million dollars each year in overtime. Our team has identified areas to cut down significantly on that amount. For example, the IT Department is working toward changes that make our team more efficient in reporting, locating files, etc. One proposed change will potentially shave an hour off of daily reporting for one department. Other opportunities for overtime savings will be proposed during in the near future.
  - **Capital Improvement** – The City of Durant receives money from Choctaw Nation quarterly, which is budgeted to be spent on parks improvements. We also received questions about why we propose to purchase equipment instead of

leasing each piece. There are many reasons, but two main themes come to the surface: 1) We have been unable to identify a company who is willing to lease equipment to the landfill because the wear and tear is too great to make it cost effective, 2) We have leased equipment in the past, and had to pay a significant amount of money when we turned them in at the end of the lease. We will continue to research opportunities for leased equipment. Council also inquired as to why we did not propose to fund certain items such as new police units in the capital improvement budget. The answer is simply that we are still waiting for the three cars ordered during the current fiscal year. Receiving supplies and equipment has been an ongoing issue for more than a year. For example, we are still awaiting the arrival of trucks we ordered over a year ago. We expect delivery sometime in the first or second quarter of the next fiscal year. Unavailability of other budgeted items has caused us to get behind in spending for the current year. One such example is the unavailability of asphalt.

- Water Rates – Our team has created a spreadsheet that shows a comparison of water, sewer and solid waste rates. The chart is attached to this report. The top of the spreadsheet shows cities of similar size to Durant, and the lower part of the spreadsheet (city name in red) are the cities close to our location. I hope Council will be willing to hear a proposal for a rate increase soon. We have not had an increase in many years.
- Collective Bargaining Agreements (CBA) – The City of Durant has Collective Bargaining Agreements with the Fraternal Order of Police Union Lodge 113, as well as with the International Association of Firefighters, Union 3061. Negotiations updates will be provided to Council Members during Executive Session at the June Council Meeting.
- Open Records Requests – The IT Department has been working to push out ORR fulfillment. We have a system in place that will make us somewhat more efficient in fulfilling requests. However, requests that include a significant amount of data still pose a problem for our team. Of note, the former City Manager proposed a Records Retention Policy, which was adopted by Council a few years ago. This policy does not appear to have been fully implemented, and I have questions about the legality of it. We will visit with the City Attorney for guidance. If the policy contains any elements that do not align with state statute, we will work with the City Attorney to bring something back to Council for approval. If you know me, you know that I save everything in case we need it in the future. I have been told by IT that this is not sustainable due to storage limitations.
- University Project – The project is on track. We have received correspondence from a few community members regarding the “roughness” of the area east of University Place. Our team has two main responses to these concerns: 1) Each section of the project has passed inspection by an independent company, and will undergo a final/ thorough inspection at the completion of the project, 2) Concrete is much more rigid than asphalt and will not feel as smooth when driving across it. If you want an example, turn east on Magnolia from First Street. You will find that the concrete in this area is far from smooth also. Otherwise, the project is on track to meet the next milestone.
- Employee Management – HR Solid Foundation conducted the first of three training days for our team. Workshops included harassment, discrimination, workers compensation claims, FMLA and some basic elements of employee discipline. We will continue training with HR Solid over the next two Fridays in order to come into compliance with Federal labor laws.

- Department Reports – Department reports will be published by COB on June 5. Please let us know if you have any questions or if there is additional information you would like to see in the reports.
- June Agenda – At this time, we have ten regular items, one public hearing and seven Executive Session items on the Agenda for the June Regular Council Meeting. It will likely be a very lengthy meeting. Please let me know if you would like to add anything.

Please let me know if you have any questions or concerns.

Thank you

LT

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