

Crystal City audit targets 10 'areas of recommendation'

By Patrick Martin
For the Leader

State Auditor Susan Montee told an audience of about 150 on Oct. 14 that her office's audit of Crystal City government turned up "considerable risk areas" in the way the city conducted business.

At the same meeting, however, she said the city "is not in a financial crunch," and found nothing that would be referred to law enforcement officials.

The long-awaited audit was brought about by a citizen petition drive organized by the Concerned Citizens for Crystal City (C-4), a group formed late in 2007 to oppose a proposed iron ore smelter at the former PPG glass plant site. The city had negotiated with smelter developer Jim Kennedy of Wings Enterprises in secret. A lawsuit by some C-4 members alleging Sunshine Law violations by the city is still pending.

Montee took about 45 minutes to go through the 30-page audit report, which

included 10 areas of recommendation for improvement, with numerous suggestions within each category.

Problem areas included a lack of following bidding procedures; paying bills from summary statements with not enough detail; not issuing IRS Form 1099s to contractors; spending city funds on Christmas parties and gift cards (since discontinued); not requiring written contracts with contractors; not keeping minutes of some official meetings and poorly detailed agendas, both of which appear to violate the Sunshine Law; not having a cell phone policy; allowing city clerk Debbie Johns with the mayor's permission to accept and later repay collect personal phone calls at City Hall; a lack of a written investment policy; a lack of a formal e-mail or Internet-use policy; a lack of a written policy for reimbursing travel expenses; violating its own mandatory retirement age of 70 by having an 87-year-old assistant fire chief who drives a city vehicle; an inconsistent col-

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Ted Howell photo
Missouri State Auditor Susan Montee listens to Avery Fortenberry, a member of C-4 following Montee's presentation of her office's audit of Crystal City.





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lection policy on past-due water accounts; water rates that didn't appear to meet expenses of the water department; a lack of reporting to the IRS of personal miles driven by employees of city vehicles; various accounting problems, from not publishing financial statements in a timely fashion to omitted funds in published statements to not providing beginning and ending balances in funds.

The audit also recommended that a better inventory be kept of city property and cautioned against a potential conflict of interest when the former president of the park board also was paid to do swimming pool maintenance. The jobs are now held by different persons.

After first saying he didn't think the audit was worth the \$30,000 cost to the city, Mayor Tom Schilly later said he thought the audit would be useful.

"It gives the city some guidelines," Schilly said. "It's a lot to get done in a year."

He stopped short of saying the report painted Crystal City as a town with big problems.

"Every town has problems," Schilly said. "They're going to find problems. It

(the audit) was what the people wanted. That's what's great about America. You can voice your opinion."

Jack Ginnever, president of C-4, said he believed the audit verified his group's complaints.

"I'm pretty pleased," Ginnever said. "I thought they discovered a good representation of the concerns we heard from the citizens."

Montee, in an interview after her presentation, said she would put Crystal City "right in the middle" in terms of the recommendations her office typically makes.

"It was a fairly big report," she said. "There were 10 areas of recommendation. Some (other cities) might have six or seven."

The audit period covered two fiscal years ending March 31, 2009. Since then, Crystal City hired City Administrator Andy Hixson, filling a post that had been vacant for more than 25 years. Hixson has improved the detail in the agendas, begun developing policies and addressing some of the other issues pointed out in Montee's report.