



Texas Government Accountability Association

Board of Directors Meeting Minutes

May 31, 2024

9:00 AM

Video Conference

Meeting Agenda

1. Call to Order
2. Invocation
3. Selection of secretary for meeting.
4. Roll Call
5. Receive an update on member activity and matters related thereto.
6. Discuss and consider TGAA Board of Directors meeting rules and matters related thereto.
7. Discuss and consider TGAA Bylaws and matters related thereto.
8. Discuss and consider TGAA Constitution and matters related thereto.
9. Discuss and consider TGAA Board of Directors officers and matters related thereto.
10. Discuss and consider selection of date, time and place for annual TGAA Board of Directors meeting and matters related thereto.
11. Discuss and consider authorizing TGAA Executive Director to complete commencement of TGAA and matters related thereto.
12. Discuss and consider selection of date, time and place for annual TGAA Member meeting and matters related thereto.
13. Discuss TGAA Transparency & Ethics Policy additions and matters related thereto.
14. Discuss TGAA annual budget and matters related thereto.
15. Open forum for any items not listed on the agenda.
16. Adjournment

Agenda Date: May 31, 2024

Agenda Number: 3

Contact/Presenter: Anthony Wilder

Agenda Item: Selection of secretary for meeting.

Minutes:

Anthony Wilder volunteered to serve as secretary for this meeting.

Board Action:

A motion was made by Wheat in favor of Wilder as secretary for this meeting and a second was made by Krause. The motion passed with the following vote:

- Aye – 3 – Krause, Wheat, Wilder
- Nay – 0 – None

Agenda Date: May 31, 2024

Agenda Number: 4

Contact/Presenter: Anthony Wilder

Agenda Item: Roll Call

Minutes:

A roll call was performed. The following attendees were confirmed via voice roll call.

- Matt Krause
- Kathy Wheat
- Art Martinez de Vara
- Anthony Wilder

Agenda Date: May 31, 2024

Agenda Number: 5

Contact/Presenter: Anthony Wilder

Agenda Item: Receive an update on member activity and matters related thereto.

Background: Update of TGAA agenda items at Kingsbury commissioners' meeting on May 20.

Minutes:

Anthony Wilder provided an update on TGAA member actions that lead to commencement of the association.

Agenda Date: May 31, 2024

Agenda Number: 6

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider TGAA Board of Directors Meeting rules and matters related thereto.

Background: The board will need to agree upon rules for this and future board meetings to ensure smooth, orderly and fairly conducted meetings. The proposal is to adopt the Roberts Rules of Order Newly Revised for parliamentary procedure. Please see the Roberts Rules of Order Newly Revised In Brief third edition for the specific edition proposed to be implemented (<https://robertsrules.com/books/newly-revised-3rd-in-brief-edition>).

Minutes:

Anthony Wilder proposed adoption of the Roberts Rules of Order Newly Revised for parliamentary procedure and rules.

Board Action:

A motion was made by Krause in favor of the proposal and a second was made by Wheat. The motion passed with the following vote:

- Aye – 3 – Krause, Wheat, Wilder
- Nay – 0 – None

Agenda Date: May 31, 2024

Agenda Number: 7

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider TGAA Bylaws and matters related thereto.

Background: The Bylaws have been unanimously adopted by the current TGAA members. This item has been included in the agenda to allow for discussion and changes, if any.

Minutes:

Anthony Wilder provided an update on adoption of the Bylaws by association members.

Board Action:

None

Agenda Date: May 31, 2024

Agenda Number: 8

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider TGAA Constitution and matters related thereto.

Background: The Constitution has been unanimously adopted by the current TGAA members. This item has been included in the agenda to allow for discussion and changes, if any.

Discuss addition of professional services to TGAA Constitution as Schedule B and include reference to the new schedule in the TGAA Interlocal Agreement for new members.

Minutes:

Anthony Wilder provided an update on adoption of the Constitution by association members. The board also discussed the idea of charging for professional services. The board is open to charging for professional services.

Board Action:

None

Agenda Date: May 31, 2024

Agenda Number: 9

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider TGAA Board of Directors Officers and matters related thereto.

Background: There are four officer roles mentioned in the TGAA Constitution and Bylaws. They are listed below along with the role of General Counsel. Note that the latter two roles do NOT require board action/appointment.

- Chairman of the Board per TGAA Constitution Section 4.12.
- Executive Director per TGAA Bylaws Article III and TGAA Constitution Section 4.11.
- General Counsel
- Vice President – This office is NOT required, but available for TGAA Board of Directors appointment per TGAA Bylaws Article III Section 6.
- Secretary-Treasurer – The Executive Director serves in this role per TGAA Constitution Section 5.2 unless the TGAA Board of Directors appoints another person per TGAA Bylaws Article III Section 7.

Minutes:

The board discussed officer roles, then made appointments per action noted below.

Board Action:

Chairman of the Board

A motion was made by Krause appointing Anthony Wilder for Chairman of the Board and a second was made by Wheat. The motion passed with the following vote:

- Aye – 3 – Krause, Wheat, Wilder
- Nay – 0 – None

Executive Director

A motion was made by Wheat appointing Anthony Wilder for Executive Director and a second was made by Krause. The motion passed with the following vote:

- Aye – 3 – Krause, Wheat, Wilder
- Nay – 0 – None

General Counsel

A motion was made by Wilder appointing Art Martinez de Vara for General Counsel and a second was made by Wheat. The motion passed with the following vote:

- Aye – 3 – Krause, Wheat, Wilder
- Nay – 0 – None

Vice President

A motion was made by Krause appointing Kathy Wheat for Vice President and a second was made by Wilder. The motion passed with the following vote:

- Aye – 3 – Krause, Wheat, Wilder
- Nay – 0 – None

Secretary-Treasurer

No action taken by board. The Executive Director will serve in this role per TGAA Constitution Section 5.2.

Agenda Date: May 31, 2024

Agenda Number: 10

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider selection of date, time and place for annual TGAA Board of Directors meeting.

Background: The board will need to select a date, time and place for the annual board meeting per TGAA Constitution Section 4.3, which is provided below for reference.

TGAA Constitution Section 4.3 – Annual Meeting of the Board. The annual meeting of the Board shall be held at a time, place, and date designated by the Board. At each annual meeting at which a quorum is present, the Board shall transact such business as may lawfully come before the meeting. Notice of such meeting shall be given in writing to all members of the Board at least seven (7) days prior to the meeting. Annual meetings may be conducted by electronic means, including telephone or video conference.

Minutes:

The board discussed potential timing for the annual board meeting.

Board Action:

None

Agenda Date: May 31, 2024

Agenda Number: 11

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider authorizing TGAA Executive Director to complete commencement of TGAA and matters related thereto.

Background: The commencement of business and other actions (see excerpt below from the written consent of the TGAA members) have been unanimously approved by the current TGAA members. This item has been included in the agenda to allow for discussion. No action will be taken.

ASSOCIATION RECORD BOOK

RESOLVED, that the Association shall maintain and authenticate in the Association record book the appropriate business records, including but not limited to originals, copies or certified copies of the Association’s Constitution, Bylaws, Membership ledger, minutes of the meetings and of other proceedings of the Members, Board of Directors, and any committee established by the Board of Directors; and

COMMENCING BUSINESS

RESOLVED, that the Association is able to commence and transact business and to incur indebtedness.

BANK ACCOUNT

RESOLVED, that the Executive Director be and hereby is authorized to open a bank account on the Association’s behalf with any banks the Board of Director’s deems appropriate.

LICENSES AND PERMITS

RESOLVED, that the Executive Director is directed to obtain in the Association’s name such other licenses and tax permits as may be required for the conduct of Association business by any federal, state, county, or municipal governmental statute, ordinance, or regulations, and are directed and authorized to do all things necessary or convenient to qualify to transact Association business in compliance with the laws and regulations of any appropriate federal, state, or municipal governmental authority.

FISCAL YEAR

RESOLVED, that the Association fiscal year shall begin on January 1, and end on December 31, subject to change by resolution, as appropriate, at the discretion of the Board of Directors.

Minutes:

Anthony Wilder provided an overview of the info above.

Board Action:

None

Agenda Date: May 31, 2024

Agenda Number: 12

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider selection of date, time and place for annual TGAA Member meeting per TGAA Constitution Section 6.1.

Background: The board will need to select a date, time and place for the annual TGAA Member meeting per TGAA Constitution Section 6.1, which is provided below for reference. The meeting can be via video conference per the TGAA Constitution and Bylaws. Therefore, the proposed place is video conference.

As for date and time, it is recommended to be later in 2024 to provide more time for members to join TGAA. The pipeline has several potential members, but we are in early discussions with each. The timing from prospect to member is likely going to be 90 to 120 days. Therefore, it is preferred that the date be on or after October 1, 2024.

TGAA Constitution Section 6.1 – Time and Place of Annual Meeting. The time and place for the annual meeting of the members shall be determined by the Board, may be conducted by electronic means, including telephone or video conference, and any member may attend by electronic means.

Minutes:

The board discussed potential timing for the annual member meeting.

Board Action:

None

Agenda Date: May 31, 2024

Agenda Number: 13

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss TGAA Transparency & Ethics Policy additions and matters related thereto.

Background: GAAP, GASB and the State Comptroller have low standards of compliance. I would like to discuss possible additions in Section 1.2 of the Transparency & Ethics Policy to require other financial statements such as a Statement of Cashflow.

The Comptroller Transparency Star for Traditional Finances requires the following:

<https://comptroller.texas.gov/transparency/local/stars/finances.php>

- Summary table of:
 - Expenditures as total and per capita, per student or per user as applicable.
 - Revenues from all entity funds expressed as total and per capita, per student or per user as applicable.
 - Total full-time equivalent positions for all personnel.
 - Revenues from property taxes as total and per capita, per student or per user as applicable.
 - Revenues from sales taxes as total and per capita, per student or per user as applicable.
- Visualizations of:
 - Time trend for at least five years showing revenues and expenditures per capita, per student or per user as applicable.
 - Time trend for at least five years showing property tax rate(s) per \$100 valuation.
- Budgets for last 5 years.
- AFR's for last 5 years.
- Downloadable data from current year budget.
- Downloadable data from check register for last 3 years.
- Contact info for local government office and elected officials.
- An application and instructions for open records requests or public information requests.

Below is Section 1.2 of the Transparency & Ethics Policy for reference (<https://txgaa.org/municipalities>).

SECTION 1. TRANSPARENCY & DISCLOSURES

1. **General Covenants and Provisions.** The transparency standards and requirements set forth in this Policy shall extend to the City, all City Bodies, Elected Officials, City Officials, Affiliated Organizations, Local Government Affiliate, and other Persons as applicable.

2. **Financial.** The City must post to its website, at no cost to the public, for the current fiscal year, and for each fiscal year following the adoption of this Policy by the City, the information set out below in this Section. Unless stated otherwise below, all reports shall be for each fiscal year.

a. *ACFR.* All Annual Comprehensive Financial Reports for the City.

b. *Audits.*

i. The City shall conduct a City-wide efficiency audit every three years, which audit shall be conducted by an outside independent firm; provided, however, the requirement to conduct an efficiency audit is waived if the City has an annual budget of \$1,000,000 or less for any year in which an efficiency audit would otherwise be required. The scope of the audit shall be to engage in fraud detection and to recommend suggested cost savings and identify revenue opportunities. The draft audit report and the final audit report shall be posted to the City's website and the lead partner on the audit shall be made available for a Q&A session with City residents and taxpayers within 30 days of report completion.

ii. The City shall conduct a City-wide financial audit every year, which audit shall be conducted by an outside independent firm. The scope of the audit shall be to engage in fraud detection, affirm the accuracy of all financial reporting, and confirm proper accounting procedures are utilized. The draft audit report and the final audit report shall be posted to the City's website and the lead partner on the audit shall be made available for a Q&A session with City residents and taxpayers within 30 days of the final audit report's completion, subject to the relevant provisions of the applicable accounting rules. No firm shall perform such audit for more than 3 years in succession and no more than 6 times in 10 years.

c. **Vendors.** The City shall require all Vendors, in order to receive more than \$10,000 in payments during a fiscal year, to fill out and sign under penalty of perjury, a form annually with the following information at a minimum:

i. Name of the Vendor;

ii. Address and phone number of the Vendor;

iii. Nature of such Subject Vendor's business dealings with the City or any City Body;

iv. Any Family Relationship between the Vendor or any Affiliate Organization of the Vendor with an Elected Official or City Official and/or any Elected Official or City Official's Affiliate Organizations;

v. The amount and timing of all political contributions by the Vendor or any Affiliate Organization of the Vendor to any Elected Officials in the previous 24 months; and

vi. The name, position, and total payments of any individual employed by or otherwise paid within the past 12 months by the Vendor or a Vendor's Affiliate Organization to a current or former Elected Official or City Official or a Family Relationship of a current or former Elected Official or City Official.

d. **Local Government Affiliates.** As a condition to receiving funds from the City, all Local Government Affiliates shall annually agree in writing to complying with this Policy.

e. **Miscellaneous Financial Matters.**

i. **Individual Compensation.** A complete list of the total compensation paid to each Elected Official and City Official including wages, salary, overtime, and benefits (including health, dental, life and pension) on an annual basis organized by last name alphabetically.

ii. **Vendor Searchability.** An easily searchable database that includes a unique identifying number, vendor name, amount paid, reason given for amount paid if any, chart of account number and description to where coded, date, and description, if any.

Below is the proposed version of Section 1.2.a.

2. Financial. The City must post to its website, at no cost to the public, for the current fiscal year, and for each fiscal year following the adoption of this Policy by the City, the information set out below in this Section. Unless stated otherwise below, all reports shall be for each fiscal year.

a. **ACFR.** All Annual Comprehensive Financial Reports for the City.

i. **Consolidated** – Government-wide financial statements.

1. Statement of Net Position (Balance Sheet)

a. Used to report the financial statement elements of assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance.

2. Statement of revenues, expenditures, and changes in fund balances (Statement of Activities).

3. Statement of Cash Flows

4. Accrual basis of accounting.

5. Distinguish between functions of the City principally supported by taxes and intergovernmental activities (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

ii. **Government Fund Financial Statements** – focus more narrowly on “current” financial resources.

1. Statement of Financial Position (Balance Sheet)

a. Reports only financial assets.

b. Excludes Capital assets.

c. Reports only liabilities the government expects to pay from current-year resources.

2. Statement of Revenue, expenditures, and changes in fund balances

a. Current financial resources measurement focus.

3. Modified accrual basis of accounting.

4. Provide a reconciliation of Governmental Funds Balance Sheet to Consolidate Statement of Net Position in the Governmental-wide financial statement.

5. Provide a reconciliation of the Statement of Revenues, expenditures and Changes in Fund Balances to the Statement of Activities in the Government-wide financial statements.

iii. **Propriety fund Financial Statements** – encompass “all” of the economic resources associated with the operations reported.

1. Statement of Net Position (Balance Sheet)

2. Statement of revenues, expenses, and changes in net position.

a. All economic resources focus.

b. Includes issuance and repayment of long-term debt, Capital outlay and depreciation and amortization.

3. Statement of Cash Flow

4. Accrual basis of accounting.

iv. **Fiduciary fund Financial Statements** – encompass “all” of the economic resources associated with the operations reported.

1. Statement of Net Position (Balance Sheet)

2. Statement of revenues, expenses, and changes in net position.

a. All economic resources focus.

b. Includes issuance and repayment of long-term debt, Capital outlay and depreciation and amortization.

3. Accrual Basis of accounting.

v. Notes to the Financial Statements

1. The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements.

Minutes:

Anthony Wilder provided an overview of the changes being considered.

Board Action:

None

Agenda Date: May 31, 2024

Agenda Number: 14

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss TGAA annual budget and matters related thereto.

Background: There is not an approved budget for TGAA. This agenda item has been added to open the discussion about the need for a budget and the initial funding. Below are a few topics to cover during the discussion.

- Fiscal Year – The fiscal year of the Association shall be from January 1 through December 31 per TGAA Constitution Section 5.1.
- Minimal budget might be needed to cover printing, mailers, collect dues, booths at conferences, etc. See TGAA Constitution Section 5.3.
- Discuss plans for annual audit, if necessary.

Minutes:

Board asked that the following be considered for the budget:

- Travel and entertainment expenses
- Legal fees
- Compensation
- Mailer for initial association members
- Conferences

A budget will be proposed at a future board meeting for adoption.

Board Action:

None

Agenda Date: May 31, 2024

Agenda Number: 15

Contact/Presenter: Anthony Wilder

Agenda Item: Open forum for any items not listed on the agenda.

Minutes:

None

Board Action:

None