



Texas Government Accountability Association

Board of Directors Meeting Minutes

August 01, 2024

9:30 AM

Video Conference

Meeting Agenda

1. Call to Order
2. Invocation
3. Roll Call
4. Minutes for 2024/05/31 Meeting
5. Minutes for 2024/06/21 Meeting
6. Receive an update on member activity and matters related thereto.
7. Discuss and consider TGAA Interlocal Agreement changes and matters related thereto.
8. Discuss and consider TGAA Transparency & Ethics Policy changes and matters related thereto.
9. Open forum for any items not listed on the agenda.
10. Adjournment

Agenda Date: August 01, 2024

Agenda Number: 3

Contact/Presenter: Anthony Wilder

Agenda Item: Roll Call

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

- Kathy Wheat – Board Vice President
- Matt Krause – Board Member
- Anthony Wilder – Board Chairman
- Art Martinez de Vara – General Counsel

Agenda Date: August 01, 2024

Agenda Number: 4

Contact/Presenter: Anthony Wilder

Agenda Item: Minutes for 2024/05/31 meeting.

Background: Review and approve the May 31, 2024 board meeting minutes, which are attached as Schedule A.

Minutes:

None – The board did not propose any changes to the minutes as presented.

Board Action:

A motion was made by Krause in favor of the minutes as presented without changes and a second was made by Wheat. The motion passed with the following vote:

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

Agenda Date: August 01, 2024

Agenda Number: 5

Contact/Presenter: Anthony Wilder

Agenda Item: Minutes for 2024/06/21 meeting.

Background: Review and approve the June 21, 2024 board meeting minutes, which are attached as Schedule B.

Minutes:

Anthony Wilder recused himself for this agenda item's discussion and vote. Kathy Wheat lead the discussion and vote for this agenda item.

Board Action:

A motion was made by Krause in favor of the minutes as presented without changes and a second was made by Wheat. The motion passed with the following vote:

- Aye – 2 – Krause, Wheat
- Nay – 0 – None
- Recusal – 1 – Wilder

Agenda Date: August 01, 2024

Agenda Number: 6

Contact/Presenter: Anthony Wilder

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

Background: Update of compliance for City of Odessa, their feedback, and comments from prospective members.

Minutes:

Anthony Wilder provided an update on member activities, feedback, and comments from prospective members.

Board Action:

None

Agenda Date: August 01, 2024

Agenda Number: 7

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider TGAA Interlocal Agreement changes and matters related thereto.

Background: A prospective member has expressed interest in joining. However, they are not able to be compliant within 6 months of adopting the TGAA Transparency & Ethics Policy. This item is to discuss options to allow membership with an extension of the compliance period for specific situations.

Minutes:

Anthony Wilder and Art Martinez de Vara shared an overview and background. Martinez de Vara proposed that the Executive Director be granted the ability to provide a variance to prospective members on a case-by-case basis. For Von Ormy, the variance for compliance would be granted specifically for the audit terms of the policy.

Board Action:

A motion was made by Wheat that on a case-by-case basis we make an exception for entities joining to allow them extra time to get into compliance with regulations we have in place. The motion received a second from Krause. The motion passed with the following vote:

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

A motion was made by Wheat that we provide an allowance to Von Ormy of an additional six months for a total of one year to get their audits up to date in their initial membership period. The motion received a second from Krause. The motion passed with the following vote:

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

Agenda Date: August 01, 2024

Agenda Number: 8

Contact/Presenter: Anthony Wilder

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

Background: Feedback from members and prospective members as well as analysis of GAAP, GASB and GAAFR standards have led to the following proposed changes to the TGAA Transparency & Ethics Policy.

Minutes:

Anthony Wilder provided an overview of the proposed changes. Discussion occurred for each proposed change. The board did not want to proceed with the proposed changes to section 1.2(a) and preferred to table those changes for future consideration. Those proposed changes are struck through in the following minutes of the board action.

Board Action:

A motion was made by Krause to approve the following changes to the Transparency & Ethics Policy and a second was made by Wheat. The motion passed with the following vote:

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

Summary of proposed changes

- ~~Addition of statements of cash flow to financial reporting standards.~~
 - ~~Section 1.2(a) for all policies~~
- Change annual budget threshold for efficiency audit requirement.
 - Section 1.2(b)(i) for School District and City policies
- Clarify number of days to report conflicts of interest.
 - Section 1.3 for all policies
- Adjust required vote result prior to closed executive session.
 - Section 1.4(c) for all policies
- Remove language referring to organizations.
 - Section 2.5(b) for all policies
- Refine definition of District, City or County Official.
 - Section 3.2(d) for School District policy
 - Section 3.2(e) for City policy
 - Section 3.2(e) for County policy
- Refine definition of Family Relationship.
 - Section 3.2(e) for School District policy
 - Section 3.2(g) for County policy
 - Section 3.2(h) for City policy

Section 1.2(a) for all policies

Current:

- a. ~~ACFR.~~ All Annual Comprehensive Financial Reports for the [City / County].
- a. ~~AFMR.~~ The School District's Annual Financial Management Report.

Proposed:

- a. ~~ACFR. All Annual Comprehensive Financial Reports for the [City / School District / County].~~
- i. ~~All financial statements required by GAAP (Generally Accepted Accounting Principles), GASB (Government Accounting Standards Board) and GAAFR (Government Accounting, Auditing, and Financial Reporting).~~
 - ii. ~~Consolidated statement of cash flow including a forecast of at least 3 years.~~
 - iii. ~~Proprietary funds statement of cash flow including a forecast of at least 3 years.~~
- ~~Notwithstanding any other terms of this policy, the compliance period for ii and iii shall be 24 months following adoption of this policy.~~

Section 1.2(b)(i) for School District and City policies

Current:

The [City / School District] shall conduct a [City / District]-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 / School District] 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 / School District's] website and the lead partner on the audit shall be made available for a Q&A session with residents and taxpayers within the bounds of the School District within 30 days of report completion.

Proposed:

The [City / School District] shall conduct a [City / District]-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 / School District] has an annual budget of \$~~1~~**2**,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 / School District's] website and the lead partner on the audit shall be made available for a Q&A session with residents and taxpayers within the bounds of the School District within 30 days of report completion.

Section 1.3 for all policies

Current:

3. Conflicts of Interest. The [City / School District / County] shall post on its website home page within 5 days, the occurrence of any of the following with all the relevant details:

Proposed:

3. Conflicts of Interest. The [City / School District / County] shall post on its website home page within 5 **business** days, the occurrence of any of the following with all the relevant details:

Section 1.4(c) for all policies

Current:

The [City Council / Board of Trustees / Commissioner's Court] shall be permitted to meet in closed executive session to discuss certain sensitive or otherwise confidential information as allowed under Texas state law;

provided, however, that any individual matter that the [City Council / Board of Trustees / Commissioner's Court] proposes to have considered during a closed executive session must first be (1) listed on the agenda of a regular meeting of such [City Council / Board of Trustees / Commissioner's Court], which such agenda shall be made available to the public on the [City's / School District's / County's] website in advance of such regular meeting, and (2) during that regular meeting of the [City Council / Board of Trustees / Commissioner's Court], approved by a unanimous vote of the [City Council / Board of Trustees / Commissioner's Court] to have such individual matter considered during a later closed executive session.

Proposed:

The [City Council / Board of Trustees / Commissioner's Court] shall be permitted to meet in closed executive session to discuss certain sensitive or otherwise confidential information as allowed under Texas state law; provided, however, that any individual matter that the [City Council / Board of Trustees / Commissioner's Court] proposes to have considered during a closed executive session must first be (1) listed on the agenda of a regular meeting of such [City Council / Board of Trustees / Commissioner's Court], which such agenda shall be made available to the public on the [City's / School District's / County's] website in advance of such regular meeting, and (2) during that regular meeting of the [City Council / Board of Trustees / Commissioner's Court], approved by a ~~unanimous~~majority vote of the [City Council / Board of Trustees / Commissioner's Court] to have such individual matter considered during a later closed executive session.

Section 2.5(b) for all policies

Current:

The [City, City Bodies / County, County Bodies / School District, Board of Trustees,] and Local Government Affiliates shall abstain from employing professional lobbyists or paying dues to any organization that employs professional lobbyists or any similar activist organizations. Any [Elected Official or City Official / Elected Official or County Official / Trustee or District Official] who advocates for changes in state or federal policy, regulations, or laws in their capacity as an Elected Official or [Elected Official or City Official / Elected Official or County Official / Trustee or District Official] shall disclose the matters promoted or opposed and to whom on the [City's / County's / School District's] website within 72 hours of occurrence.

Proposed:

The [City, City Bodies / County, County Bodies / School District, Board of Trustees,] and Local Government Affiliates shall abstain from employing professional lobbyists ~~or paying dues to any organization that employs professional lobbyists or any similar activist organizations~~. Any [Elected Official or City Official / Elected Official or County Official / Trustee or District Official] who advocates for changes in state or federal policy, regulations, or laws in their capacity as [an Elected Official or City Official / an Elected Official or County Official / a Trustee or District Official] shall disclose the matters promoted or opposed and to whom on the [City's / County's / School District's] website within 72 hours of occurrence.

Section 3.2(d) for School District policy

Current:

"District Official" means all persons appointed by the Board of Trustees or an individual Trustee to any committee, sub-committee, working group, council, or any other entity created by the Board of Trustees and all employees of the School District. This includes the School District's Superintendent, which means the individual who is the educational leader and the chief executive officer of the school district as set forth in Tex. Educ. Code § 11.201(a). For the avoidance of doubt, District Official shall not include the Trustees.

Proposed:

“District Official” means all persons appointed by the Board of Trustees or an individual Trustee to any committee, sub-committee, working group, council, or any other entity created by the Board of Trustees and all employees of the School District **with supervisory roles and authority over policies and procedures**. This includes the School District’s Superintendent, which means the individual who is the educational leader and the chief executive officer of the school district as set forth in Tex. Educ. Code § 11.201(a). For the avoidance of doubt, District Official shall not include the Trustees.

Section 3.2(e) for City policy

Current:

“City Official” means all persons appointed by the City Council or an individual City Council Member to a City Body and all employees of the City. For the avoidance of doubt, City Official shall not include the Elected Officials.

Proposed:

“City Official” means all persons appointed by the City Council or an individual City Council Member to a City Body and all employees of the City **with supervisory roles and authority over policies and procedures**. For the avoidance of doubt, City Official shall not include the Elected Officials.

Section 3.2(e) for County policy

Current:

“County Official” means all persons appointed by the Commissioner’s Court or an individual County Commissioner or County Judge to a County Body and all employees of the County. For the avoidance of doubt, County Official shall not include the Elected Officials.

Proposed:

“County Official” means all persons appointed by the Commissioner’s Court or an individual County Commissioner or County Judge to a County Body and all employees of the County **with supervisory roles and authority over policies and procedures**. For the avoidance of doubt, County Official shall not include the Elected Officials.

Section 3.2(e) for School District policy, Section 3.2(g) for County policy, Section 3.2(h) for City policy

Current:

“Family Relationship” means any relationships within the third degree by consanguinity or affinity, each as defined by Tex. Gov’t Code Chapter 573. In relevant part, (A) Tex. Gov’t Code Chapter 573.023(c) provides that “[a]n individual’s relatives within the third degree by consanguinity are the individual’s: (1) parent or child (relatives in the first degree); (2) brother, sister, grandparent or grandchild (relatives in the second degree); and (3) great-grandparent, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual (relatives in the third degree).”; and (B) Tex. Gov’t Code Chapter 573.025(b) provides that “[a]n individuals relatives within the third degree by affinity are: (1) anyone

related by consanguinity to the individual's spouse in one of the ways named in Section 573.023(c); and (2) the spouse of anyone related to the individual by consanguinity in one of the ways named in Section 573.023(c).

Proposed:

"Family Relationship" means any relationships within the third degree by consanguinity or **second degree by** affinity, each as defined by Tex. Gov't Code Chapter 573. In relevant part, (A) Tex. Gov't Code Chapter 573.023(c) provides that "[a]n individual's relatives within the third degree by consanguinity are the individual's: (1) parent or child (relatives in the first degree); (2) brother, sister, grandparent or grandchild (relatives in the second degree); and (3) great-grandparent, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual (relatives in the third degree)."; and (B) Tex. Gov't Code Chapter 573.025(b) provides that "[a]n individuals relatives within the ~~third~~ **second** degree by affinity are: (1) anyone related by consanguinity to the individual's spouse in one of the ways named in Section 573.023(c)(**1**) and **573.023(c)(2)**; and (2) the spouse of anyone related to the individual by consanguinity in one of the ways named in Section 573.023(c)(**1**) and **573.023(c)(2)**).

Agenda Date: August 01, 2024

Agenda Number: 9

Contact/Presenter: Anthony Wilder

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

Minutes:

None

Board Action:

None

Agenda Date: August 01, 2024

Agenda Number: 10

Contact/Presenter: Anthony Wilder

Agenda Item: Adjournment

Minutes:

None

Board Action:

A motion was made by Wheat to adjourn the meeting and a second was made by Krause. The motion passed with the following vote:

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