



**Office of the Houston City Controller  
Harvey Recovery Oversight Committee (HROC) Meeting  
September 28, 2017**

**Meeting held at: Controller's Office 8<sup>th</sup> Floor Conference Room**

<b>Committee Members Present:</b>	
City Controller Chris Brown; Chair	Representative from Department of Homeland Security, Office of Inspector General
Courtney Smith, City Auditor	
Shannan Nobles, Chief Deputy Controller	
Alex Obregon, Deputy Controller	
Christine Lally	
Michael Porier	
Gary Horn	
John Sorrells	

**I. Meeting Called to Order at 2:00 PM** **by Controller Brown**

**II. Introductions**

- **Controller Brown** welcomed all committee members to the first HROC meeting, and provided background on the committee, the Controller's Office, and the expectations of the group.
- **Controller Brown** introduced the Controller's Office staff to the external committee members.
- **Controller Brown** asked committee members to discuss their previous experiences and best practices learned from previous disasters

**III. Committee Responsibilities**

- **Controller Brown** explained that the foremost priority of the committee is to provide oversight of and protect City of Houston taxpayer dollars.
- **Controller Brown** added that the committee will have access to all invoices, procurement materials, and contracts pertaining to the recovery efforts.
- **Controller Brown and City Auditor Smith** explained that the Controller's Office will be conducting audits on all recovery-related procurement, invoicing, and contracting on an ongoing, ad-hoc basis.
  - Committee members will have as much access as reasonably possible to these audit documents and findings.
- **Controller Brown** informed the committee that all cases of fraud, impropriety, and waste involving federal dollars will be referred to the **Department of Homeland Security, Office of the Inspector General**.

#### IV. Best Practices & Recommendations:

- **A representative from DHS** addressed the committee and gave an overview of the department's role in the recovery efforts.
  - **The DHS representative** also gave advice to the committee on what to look for when searching for cases of fraud, impropriety, and waste in the processes related to the recovery.
- **Mr. Porier** discussed previous experiences working with FEMA during Hurricane Katrina.
- Several committee members emphasized the significant need for stringent accounting, tracking, coding, and reporting of all recovery-related documents.
  - **Controller Brown** shared that this was also a recommendation made during the Controller's Office call with the New York City Comptroller's Office where best practices were shared from Superstorm Sandy.
- **Deputy Controller Obregon** explained the Controller's Office invoicing process and the delineation of roles between the city's Finance Department and Controller's Office.
  - **Deputy Controller Obregon** also explained the process in which federal, state, and city funds will come into the city's coffers and how those funds will be expended.
  - **Deputy Controller Obregon** informed the committee that, by charter, all payments over \$50,000 must be certified by the Controller's Office and voted on by City Council.
- **Mr. Horn** expressed the necessity that all city employees in the Finance Department and Controller's Office should receive training on FEMA regulations.
  - **Deputy Director Obregon** stated that the request had been made about receiving training on FEMA regulations, but no info has been made available to the Controller's Office.
- **Ms. Lally** asked about the proper processes in the case that a control is tested and does not pass initial review.
  - **Deputy Controller Obregon** explained that the measure would be referred to the department for correction and resubmission.
- **Controller Brown** stressed the need for proper accounting and controls to receive full FEMA reimbursement for any expenses borne by the City.
- **City Auditor Smith** further described the steps that the Controller's Audit division will take in response to the storm and how audits will be conducted as related to the recovery efforts.

#### V. Review of Recovery-Related Invoices, Procurements, and Contracts

- **The committee** received a copy of the current "Debris Removal Services" contract (original Contract C70664) and its first amendment to review.
- **Controller Brown** also informed the committee that City Council recently voted for an extension of the existing contract and a new appropriation of \$60 million.
  - **Deputy Controller Obregon** also shared that a new procurement process will likely begin in six months following the expiration of the extension.

## **VI. Future Meeting Dates**

- A tentative next meeting date was set for Thursday, October 26<sup>th</sup>.
- The committee agreed that a monthly meeting date will be set for the foreseeable future.

## **VII. Adjournment**

- **Meeting adjourned at 3:02 PM.**