

**Minutes
Finance Committee
February 2, 2015
6:00 PM
6th Committee meeting**

Members present were Chairman Dale Black, Committee members Terry Merritt and Larry Goodson. Finance Director Holly Abercrombie and City Administrator Trey Eubanks were also present.

1. Call to order.- Chairman Black
2. Public Comment
3. Reading and approval of minutes- Councilman Goodson made a motion to approve the minutes with Councilman Merritt seconding. The vote was unanimous (3-0).
4. Reports or communications from city officers
 - a. Budget report- All departments are under the ideal remaining percentage. Last month it was reported we were behind on property tax revenue, but now we are \$89,000 over where we were last year. Business licenses are coming in, but April is the big month for those. Chairman Black said most of the hospitality is in for the month. Holly said Sandra is doing well with that and getting more revenue than before she took over. Chairman Black asked about franchise fees. Holly said Piedmont Gas did an audit and sent us \$200,000. Some of their numbers were incorrect. We cannot do an audit, but the company can do their own audit. Holly says she has no way to do an audit because it is on the bills. The insurance companies and telecommunications franchises go through the MASC.
5. Unfinished business.
6. New business.
 - a. Fraud policy- Trey reported each year we task the auditors to find ways we can improve. We had a new auditor this year and that firm presented a good audit to us and that we have strong fiscal management practices. They did recommend us considering a fraud policy. This raises the awareness of city officials about being on the lookout for where fraud can occur and where to strengthen internal controls. This policy formalizes some steps we would all take to raise awareness of the issue. Chairman Black asked if this would go with a city department inventory, which he has brought up before. We might

be able to barcode items to track what each department has. Trey said we do track items both under and over \$5,000. The PW, police and fire department particularly have extensive records of their equipment. Chairman Black said a list of serial numbers would help track smaller equipment. Councilman Merritt asked if everyone should get additional training on this issue. Trey said this is intended to enhance the environment here in Mauldin. The auditors don't feel like we are deficient in internal controls, but it is a good idea to have a policy to bring the issue to our minds.

Holly said there are new GASB rules coming in and fraud is something that will be addressed. GASB is asking for a fraud policy. Department heads can take this issue and talk about it so that Council is aware that we are talking about it and anything that is found. Councilman Merritt said we could have a sheet that department heads sign that they understand the policy and will focus on fraud prevention. Trey said the efforts will be reported to council during the audit that this is extra effort to raise awareness. Chairman Black said the department heads need to take this policy to their employees and educate them and tell them up front what the expectations are. He thinks this is a good idea to educate everyone.

Councilman Goodson said this is a good idea to tie this in to what is going on in the Recreation Department. He asked if the City Attorney has looked at this. Trey said he would have input before the council meeting.

This item was sent to full council with the understanding that the City Attorney would review and sign off on the policy.

- b. Standing Committee Rules update- Chairman Black said these rules have been changed several times. Committee meetings used to be held on two nights. They also were held upstairs. Chairman Black said he would like to have the committee meetings held in the new conference room upstairs. There might be better participation in the conference room than in the courtroom. If the council members didn't want to sit in the room if they weren't on that committee, they can go to Trey's old office. Chairman Black said the

elevator could be unlocked so that people could get upstairs. He also would like to add to the rules that committee Chairmen can make a decision not to hold a meeting if there is nothing on the agenda.

Councilman Goodson agreed with Chairman Black and said there is no need to meet if there is nothing on the agenda. Chairman Black said we could add "if need be" if the committee does need to meet. The public will be accommodated and notified of which committee would not meet. Councilman Merritt asked about approving the minutes if there was no meeting. Chairman Black said they would just be carried over to the next meeting of that committee. Councilman Merritt asked about the minutes being available in the council meeting agenda packet. Trey said they would still be available in draft form like they are now. Chairman Black said the rules say the minutes would be verbatim. Trey said we need to think about removing that language. The citizen comments are verbatim. Minutes are supposed to provide a detailed overview of what happened in the meeting, and that is what council and committee receives now. Trey said we always have audio recordings and can go back and listen to something. Councilman Goodson said parts could be identified that might need to be listened to again or done verbatim.

Chairman Black asked what the pleasure of committee was. He believes that the department heads don't need to wait all night for their committee if there is nothing on the agenda.

This item was moved to the full council with a recommendation of moving committee meetings upstairs, having the option to cancel a meeting if there is nothing on the committee agenda, and removing the verbatim section with the understanding that certain parts could be made verbatim if need be.

7. Public Comment

Mayor Raines: On the fraud policy, second bullet point where it says theft of funds, supplies or other assets, do those assets have a defined value? I would recommend changing the wording to any city property. Also on the second page, I would add any city property. You understand why.

Chairman Black: If you have something that is \$5000 or \$200, it is still the property of the taxpayer.

Trey said he would make the changes.

Ray Atchinson: In your consideration to change the committee meetings to upstairs, keep in mind the perception the public might have. The perception might be that now it is more difficult, I may not go.

Chairman Black: For years we had no problem, we usually had five or six people and it worked fine. Unless it is something heated, you and Leo are usually the only two we have, but we will keep that in mind.

Councilman Cook: Randy is here.

Randy Kuzniar: I want you to know I am here.

8. Committee concerns.

9. Adjournment. – Chairman Black adjourned the meeting.

Respectfully Submitted,

Cindy Miller

Municipal Clerk

NOTICE: A majority or quorum of City Council may attend a committee meeting