

**Minutes
Finance Committee
March 1, 2016
6:00 PM
3rd Committee meeting**

Members present were Chairwoman Carol King, Committee members Dale Black and Terry Merritt . Finance Director Holly Abercrombie and City Administrator Trey Eubanks were also present.

1. Call to order.- Chairwoman King
2. Public Comment- None
3. Reading and approval of minutes- February 1, 2016- Councilman Merritt made a motion to accept the minutes with Councilman Black seconding. The vote was unanimous (3-0).
4. Reports or communications from city officers
 - a. Budget report- Holly reported everything looks good.
5. Unfinished business.
 - a. Standing Committee rules- Councilman Merritt suggested on the first page under organization- “designate a chair of each committee with the consent approval of council” to delete the word consent. On page 2 under Recreation, it says as well as all programming, events, and activities- insert a comma, strike including so it will read to include all city sponsored events. The third page says committees will meet at beginning 6:00 p.m. It should be beginning at 6:00 p.m. On page 5, minutes should be taken of all committee meetings. We had a request from our Mayor to the City Attorney because Councilman Merritt had asked for some information regarding our credit card statements to be attached to the minutes. John Duggan said they don't need to be attached to the minutes because they are kept somewhere else. The standing committee rules also say the meetings will be recorded but it doesn't say how long we will keep the recordings. Councilman Merritt thinks there should be language inserted on how long the recordings will be kept and where the credit card information will be kept.

Another section says the minutes will be verbatim. Robert's Rules says minutes should not be verbatim, they are a summary of the meeting.

Councilman Merritt said the committee rules says verbatim and wondered if

there was a reason it said verbatim. Councilman Black said it was just in case there was a question regarding something that was said or happened in the meeting. Councilman Merritt said we can keep the recordings in case we need to refer back to something specific that was said. Councilman Merritt asked if we should insert that the meeting recordings are kept for 1 year, 2 years... Holly said there is a records retention schedule done by the SC Archives that dictates how long documents are kept.

Councilman Merritt asked if staff could look into that and bring some recommendations to committee.

This item will stay in committee for more information.

6. New business.

- a. Audit extension- Green, Finney and Horton have been our auditors for the past two years and are up for extension if council would like. Chairwoman King said she is familiar with the firm and would like to extend the contract at least an additional year if not two.

Councilman Merritt made a motion to send this to council for the one year renewal. Councilman Black seconded. Councilman Black asked if there was a standard on how many years you should keep an auditor. Holly said some places change auditors, some cities stay with the same company. The GFOA suggests 3-5 years. Holly said her opinion is three years is not long enough to keep an auditor, five years would be better. Councilman Black said he has no problem with a one year extension. Trey said we have been pleased with the work Green, Finney and Horton do. They understand local government finance. They are familiar with us now and they can start making good recommendations on enhancing our internal controls.

The vote was unanimous to send this to council. (3-0).

- b. Credit card policy amendment- There were some issues with the way the current policy prohibits cross use of the credit cards. We have drafted some new guidelines and procedures. There are some new restrictions now and the big change is under responsibility where it says the department heads are responsible for the use of their card. There are times when the department head is not available, but the card is needed.

The agreement will be signed by the department heads stating they will adhere to the new policy. Councilman Merritt said he likes this, but there are things he does not see in it. Credit card abuse is very easy. We have a few minor problems with small amounts of money, but it was still against the policy. Councilman Merritt said he thinks that is disrespectful to council because council wrote the policy. Most of the violations were by the same department because they did not have a department head. One was in Finance, it was legitimate, but it was a violation. There are some emergency situations, but we can address that.

Internal controls by the separate departments is not a good idea. There should be standardized internal controls. The old policy said if you have a credit card, you submit to a background check. Holly said that is done prior to hire. Councilman Merritt said he would like to see the purchase orders over \$1000 signed by the department head and the city administrator continues. Councilman Black asked about travel and accommodations that can go over \$1000. This policy says the limit is \$1000 without the city administrator's signature. Holly said the city administrator already signs the travel documentation. Trey said that language can be dropped in the policy.

Councilman Merritt said there was language about bar purchases, lounge receipts in there as well. Chairwoman King said that was in the original policy as well. Councilman Merritt said purchases that are repetitive should not be on a credit card every month- they should be on an open purchase order.

Councilman Merritt asked about Exhibit A- do we want to tie this to BB&T? Holly said it will be tied to the issuing facility. If we change vendors, we will change the exhibit.

Chairwoman King asked about the security issues. She said it is common sense, but would like to look at that a little more closely. Chairwoman King said if she had a city credit card, it would be secured in a purse or on her person, not in a desk drawer. Councilman Merritt said there was some language in the old policy about signing out the credit card if someone needs to borrow it. There should be a log of who has the credit card and for what. He also said there should be something that says that part time employees should not use the credit card. Trey said there are some part time employees in the Recreation Department that have been here a long time that we send for supplies. Chairwoman King said that goes back to the department head being responsible for his card. Councilman Merritt said he had a credit card in private business, but that it was audited.

This item was left in committee.

7. Public Comment- Leo Joyce: On the minutes redundancy, does that include the website?

Councilman Merritt said they are in the cloud.

8. Committee concerns.- Councilman Merritt said he amends his request on the credit card violation list. There will be no names on the violation list, nor will it be attached to the minutes.

Chairwoman King congratulated Holly and Trey on the GFOA award. This is our 14th year of receiving the award.

9. Adjournment. – Chairwoman King adjourned the meeting.

Respectfully Submitted,

Cindy Miller

Municipal Clerk

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