



**Minutes  
Finance and Policy  
May 6, 2019  
3rd committee meeting**

**Members present were Chairwoman Carol King, Committee Members Terry Merritt and Dale Black. Finance Director Holly Abercrombie, Mark Putnam, HR Director, and City Administrator Brandon Madden were also present.**

**1. Call to Order-** Chairwoman King

**2. Public Comment-** None

**3. Reading and Approval of Minutes**

**a. Finance Committee Meeting: April 1, 2019**

Councilman Black made a motion to approve the minutes with Councilman Merritt seconding. Councilman Merritt asked that the record reflect the agenda for last month mentions the purchase order stamp but nothing about the policy amendments. The vote was unanimous (3-0).

**4. Reports or Communications from City Officers**

**a. Budget Review-** The budget looks good.

**b. Department Reports-** None

Councilman Merritt said on credit card purchases for vehicles he would like to see the unit numbers. He would like more information on the purchase order forms. He saw a purchase of a time clock. Is the old one not still under warranty? Mark said he would try to find out.

Also, if there is a purchase over \$1000, two signatures are required- department head and city administrator. Councilman Black said he saw several purchases that were signed by people other than department heads. Brandon said he would look at the purchasing policy to see if there was any language that says his or her designee.

Mark reported that we have a couple new police officers on board. We are encouraged by the number of applications we are getting now since the pay band adjustment.

Training is being setup now for evaluations. Department heads will have training in early June and supervisors by the end of June. There will also be some training downstairs for customer service and communication amongst staff.

Councilman Black asked where we stand on the PW Director position. Mark answered that the brochure has been put out. He has not gotten any applications from anyone he is interested in.

## **5. Unfinished Business- None**

## **6. New Business**

**a. Budget amendment-** Brandon said the items in the amendment are based on previous council actions. The cultural center playground number may be increased based on future council action. Any adjustments made will be reflected in the amendment by the council meeting on May 20<sup>th</sup>. Chairwoman King said she likes the list presented. Councilman Black asked what the hospitality account balance is. Holly said she does not want to give a number because she does not know what the revenue will be. Councilman Black said there will be some expenditures out of hospitality and accommodations that are not reflected on this. Brandon said any money not expended will go to the fund balance unless it is dedicated to a project. Brandon said a true number will not be given until December of this year when the CAFR is done. Councilman Merritt said hospitality money is being spent all throughout the year. There is one department that most of its budget comes from H&A and we don't know what the true balance is. Councilman Black is asking how much will be left after the \$710,000 is spent. Holly said between \$600,000- 700,000 would be left in the account that is not designated to a specific project.

Councilman Merritt made a motion to send the budget amendment ordinance to full council with a recommendation of approval. Councilman Black seconded the motion and the vote was unanimous (3-0).

**b. Renewal of franchise agreement with Piedmont Natural Gas-** Council approved a 1% increase in the franchise agreement. The agreement is now expired. The new agreement would reflect the total 5% that is currently being collected. Piedmont Natural Gas said some of their equipment is in private right of way and it is stated in the agreement that if the City wants it moved to public right of way, the City would have to pay for this. The city attorney has reviewed the contract.

Councilman Merritt asked that the utilities be checked on Holly Ridge Road because it is a private road currently but the city will take it over when it is brought to our standards. This contract will be in effect for 25 years.

Councilman Black made a motion to send this to council with the understanding that the attorney has signed off on section 2.3. Councilman Merritt seconded the motion and the vote was unanimous (3-0).

**c. Surplus property disposal policy-** Chairwoman King said she is pleased with the detail in the policy. Councilman Merritt said he has a question on section C going into item 2 that seemed redundant. Disposition of funds- all proceeds should be placed in capital projects fund unless council orders otherwise. Councilman Merritt suggested directs instead of orders. Councilman Black said this policy is state law to make sure a city employee does not get preferential treatment. Brandon asked if committee is ok with striking C and adding including public auctions with other public agencies. Committee agreed.

Councilman Merritt made a motion to send this policy to council with Councilman Black seconding. The vote was unanimous (3-0).

**d. Sync Up fleet demo-** Brandon showed committee how the sync up program is working. Public Works and police cars were the main vehicles tested in the demo. Vehicles show their locations, how many trips were taken in a day, idling time, how the vehicle is driven, who is speeding, and so on. The cost is \$12.50 per vehicle per month. Council has set aside \$24,000 for this program. The intent of this program is to know where the city's assets are. Chairman King asked what the 115 vehicles would cover. Brandon said it would be all except the backup trucks at PW that are not used and the fire trucks such as ladder trucks and aerial. The list of vehicles is being updated and refined. Councilman Merritt asked about the \$24,000 that is in the 2019 budget amendment. When was the 60 day demo up? Brandon said he thinks around May 4<sup>th</sup>.

Councilman Merritt said so we owe May and June. Brandon said the first bill would be in June for the month of June. Councilman Merritt said there is nothing in the 2020 budget yet. Brandon said if council approves this program, a purchase order would be set up and would be good whether the expense occurred this year or next budget year. As the invoices come in, they will be applied. Councilman Merritt said right now there is not \$18,000 in the budget. The \$24,000 is in the current budget and cannot be rolled over until the next budget year. The City has to come up with \$18,000 for next fiscal year. Holly explained the money is in the general fund and is encumbered so it will be there for next fiscal year. The expense started in this fiscal year, but it is set up and encumbered for next year. Councilman Black asked if each department would pay for this. Holly said it is held within the administration budget under contracts and services.

Councilman Black asked if this would save us any money on our insurance. Mark said he would check with the Municipal Association. Councilman Merritt made a motion to send this to council with the recommendation to proceed with the fleet program. Councilman Black seconded the motion and the vote was unanimous (3-0).

## **7. Public Comment**

Mayor Raines asked how our assets are depreciated. Holly said she thought \$5,000 or 5 years. He asked about city committee members. Brandon said he was trying to include any committee we might have in the future. He wanted to the policy to apply to everyone. Who is the administrator's designee? Brandon said under 4a, it says the administrator or designee.

## **8. Committee Concerns**

Councilman Merritt said this committee has done a tremendous amount of work on policies. The accounts payable stamp came before council and was voted on. At the same time there was a policy manual change. The new policy was not in the council packet. Councilman Merritt said council was asked to approve something that did not go to committee and was not provided in the packet. Changes were approved that were never seen. Committees gather and study information and make recommendations to the city council. Committees provide more discussion on items.

Chairwoman King thanked Councilman Merritt for his comments. Chairwoman King said changes to the po stamp brought about changes to the procurement policy. In conversations with Mr. Madden, the po stamp wording was added in three places. Chairwoman King said she thought it was a minor change that went along with the po stamp, but apologized for the misunderstanding. Councilman Merritt said the vote on the po stamp was proper, but the policy change should have come under committee of the whole. Chairwoman King said if council had the red-lined policy to see it, it would have been more acceptable.

## **9. Adjourn- Chairwoman King adjourned the meeting.**

**Respectfully Submitted,  
Cindy Miller  
Municipal Clerk**