

TO: FINANCE, AUDIT AND ADMINISTRATION COMMITTEE

FROM: MR. KEN RIVERS, CHAIRMAN, FINANCE, AUDIT AND ADMINISTRATION COMMITTEE
THREE RIVERS REGIONAL COMMISSION

SUBJECT: MINUTES OF FINANCE, AUDIT AND ADMINISTRATION COMMITTEE MEETING

The Finance, Audit and Administration Committee held a meeting at 12:30 p.m. on Thursday, May 2, 2019 at the Turin Town Hall in Turin, Georgia. Committee Chair Ken Rivers welcomed the attendees and Mr. Bobby Blalock gave the invocation; afterwards, Mr. Blalock led the committee members in reciting the Pledge of Allegiance.

Finance, Audit and Administration Committee Members in Attendance

Mr. Ken Rivers, Commissioner, Butts County
Mr. Dustin Koritko, Council Member, City of Newnan
Mr. Greg Wright, Non-public Member, Coweta County
Mr. Bobby Blalock, Mayor, City of Zebulon
Mr. Jim Thornton, Mayor, City of LaGrange

TRRC Council Members in Attendance

Mr. Cecil McDaniel, Council Member, City of Barnesville
Mr. Jack Hancock, Non-public Member, Pike County

Staff Present

Mr. Kirk Fjelstul, Executive Director
Ms. Peggi Tingle, Administrative Services Director
Ms. Amanda Turner, Deputy Administrative Services Director
Ms. Hope Blakely, HR Generalist
Ms. Jeannie Brantley, Planning Director
Ms. Kim Dutton, Planner
Ms. Cymone Haiju, Planner
Mr. Paul Jarrell, Planner
Mr. Brian Bruggeman, ADRC Program Manager, Aging Program
Ms. Pavielle Ludlow, Transit Program Manager
Ms. Stephanie Matthews, Deputy Director, Workforce

APPROVAL OF THE MARCH 28, 2019 MINUTES (action item)

Mr. Greg Wright made the motion to approve the March 28, 2019 meeting minutes. The motion was seconded and carried unanimously.

APPROVAL OF AGENDA (action item)

Committee Chair Rivers asked for a motion to approve the agenda. Mr. Koritko made the motion to approve the agenda. The motion was seconded and carried unanimously.

MARCH FINANCIALS AND BUDGET COMPARISON

Ms. Amanda Turner presented this portion of the agenda. She advised the committee that the budget is at seventy-five percent (75%) at this time. Ms. Turner mentioned that we are expecting a credit regarding Workers Comp insurance. The Telecommunications line item is higher due to an upgrade in Workforce Development's telephone system; the upgrade has been paid. She advised the committee that the Fund Balance was normally a positive number, but a change has occurred since Georgia Department of Transportation (GDOT) revenues for the year have not been posted. The staff has to wait for GDOT to finalize the reimbursements and to advise the staff how it needs to be "booked." After a few comments, Committee Chair Rivers asked for a motion regarding the March financials. **FORMAL ACTION: Mr. Blalock made the motion to accept the March financials. The motion was seconded and carried unanimously.**

DISCUSSION ON HEALTH INSURANCE PREMIUMS (action item)

Ms. Turner presented this portion of the agenda as well. She advise the members that the material was for informational purposes. The Three Rivers Regional Commission (TRRC) staff has recently received several quotes regarding health insurance. Mr. Kirk Fjelstul added that the information being presented is to authorize next year's health insurance policy. Mr. Matt Bidwell, insurance broker with MSI Benefits Group, addressed the committee. The committee members received a copy of a benefits review booklet for TRRC and Mr. Bidwell referred to this document for his presentation. The renewal for the Blue Cross Blue Shield (under the ACCG pool) is 16.6% and would increase in cost \$62,940 annually. Employees' out of pocket expenses were discussed; the booklet reflected that the current maximum out of pocket expenses were \$4,500; under a dual option, the maximum out of pocket expenses would be \$7,900. Humana would offer a \$3,000 maximum out of pocket expenses with a dual option reflecting \$6,500 for the out of pocket expenses. It was noted that a separate deductible was in force for prescription medications under Blue Cross Blue Shield, but not under Humana. Mr. Fjelstul reiterated that for the first time, an option is being offered for employees to contribute to the premiums; Mr. Bidwell added that if employees wanted to keep the same level of insurance, they would have to contribute to the premiums. Mr. Koritko asked if the employees were polled to get their feelings on this matter. Mr. Fjelstul advised that this topic has been discussed all year and that the premium information was recently received and a poll has not been done at this time. The renewal date is July 1, 2019; open enrollment is to be completed by June 5th. Mr. Jim Thornton mentioned that Mr. Lee Boone pointed out that under the ACCG pool, there is a two (2) year non-renewal period. Mr. Blalock asked Committee Chair Rivers for his thoughts on the matter. Committee Chair Rivers added, "my feeling is that it's probably time to make a change, but if you're going to change to Humana, I would look at the dual option because you have to keep the employee cost down for those that have the...and the way that we can balance that out is by going to a higher deductible with the supplemental benefits that we have talked to Kirk about with AFLAC and some other ones that can help with, you know if you go to the emergency room, they will have an automatic pay out

of \$500 or whatever it is anytime that you go to the emergency room. So that would help the employees with their out of pocket expense because their deductibles are going to be higher.” Mr. Fjelstul added that “our recommendation is to go with the Humana dual option.” More discussion ensued before Committee Chair Rivers asked if the committee had a recommendation. **FORMAL ACTION:** Mr. Koritko made a motion that the committee go with the Humana dual option. The motion was seconded and carried unanimously. More discussion centered around the dental insurance with Committee Chair Rivers remarking, “it does not make sense to move the medical without moving the dental as well.” **FORMAL ACTION: The motion was amended to reflect that the committee go with the Humana dual option with both health and dental insurance.**

DISCLOSURE OF BUSINESS TRANSACTIONS POLICY (action item)

Ms. Turner presented this portion of the agenda. She reminded the committee that the Disclosure of Business Transactions Policy was discussed a few times and tabled, but that the attached policy reflects the changes to the wording that the committee requested. **FORMAL ACTION: Mr. Jim Thornton made the motion to approve the Disclosure of Business Transactions Policy. The motion was seconded and carried unanimously.**

DISCUSSION ON APPROVAL OF EXECUTIVE DIRECTOR’S EXPENDITURES (action item)

Ms. Turner advised the committee that the approval of the executive director’s expenditures was an audit finding that the staff was correcting; the committee will review Mr. Fjelstul’s expenditures on a monthly basis. Today, the committee is reviewing the expenditures for the month of April. **FORMAL ACTION: Mr. Thornton made the motion to approve the Executive Director’s Expenditures (for the month of April). The motion was seconded and carried unanimously.** It was noted that Committee Chair Rivers would sign off on the monthly expense reports after the committee approved them.

MOU APPROVAL FOR IN-HOME CARE PROVIDERS (action item)

Mr. Brian Bruggeman presented this portion of the agenda. He advised the committee that the Memorandum of Understanding (MOU) was between TRRC and B & B Care Management Services. This agreement would affect individuals in nursing homes that are trying to transition back into their communities and a needed component of their discharge from the nursing home. The individuals will be given a list of in-home care providers to choose from to assist with in-home care. **FORMAL ACTION:** Mr. Wright made the motion to approve the MOU for In-Home Care Providers. The motion was seconded and carried unanimously. Mr. Bruggeman asked the committee if it would be possible to bypass formal council approval since more of these identical agreements are expected in the future from different in-home care providers. Committee Chair Rivers added, “I don’t see any reason for us to approve each one. We are approving the program as a whole and not individual cases to come before us.” **FORMAL ACTION: Mr. Blalock made the motion that future MOUs would not have to come before this committee to be approved as long as the contracts do not change. The motion was seconded and carried unanimously.**

APPROVAL OF PROPOSED CONTRACTS FOR WORKFORCE DEVELOPMENT (action item)

Ms. Stephanie Matthews presented this portion of the agenda. She advised the committee that the Workforce Board did not have a quorum to conduct business at their April 25, 2019 meeting so the contracts were not approved. Workforce is currently in the negotiation period regarding the contracts;

this period will end May 13, 2019 when the Workforce Executive Committee will meet. For Youth Services, the In the Door contractor will provide services for Butts, Heard, Lamar, Meriwether, Pike, Spalding and Upson counties; West Georgia Technical College will provide services for Carroll, Coweta, and Troup counties. Goodwill, Paxen, and Southern Crescent Technical College will be eliminated for consideration. It was noted that the contracts must be in place by July 1, 2019. Committee Chair Rivers asked, "So it can be brought before the committee and then the council can ratify our recommendation at the following meeting." Mr. Fjelstul added, "That the only way we can do that is if the council authorizes the committee, so we have got to make sure that we are clear with the council about that. They've got to delegate that." Committee Chair Rivers halted any additional questions regarding this subject since no action will be taken today and this will be before the committee again.

SCTC INDUSTRY ESSENTIALS TRAINING CONTRACT (action item)

Ms. Stephanie Matthews presented this portion of the agenda. She advised the committee that Southern Crescent Technical College (SCTC) would like to perform the program again, beginning in May. This program will assist fifteen (15) youths in Spalding County to gain training and possible employment for entry-level positions. The training consists of basic workplace safety, etiquette, etc., at a cost of \$30,000. **FORMAL ACTION: Mr. Koritko made the motion to approve the SCTC Industry Essentials Training Contract. The motion was seconded and carried unanimously.**

COWETA COUNTY DEVELOPMENT AUTHORITY TRAINING AGREEMENT (action item)

Ms. Matthews advised the committee that this is an Occupational Skills training contract through the Coweta County Development Authority. This contract is geared to assist twenty-five (25) high school graduates (primarily from Coweta County with an estimated 5 graduates from Heard County) and the training will begin on May 28, 2019; the contract is worth \$50,000. **FORMAL ACTION: Mr. Koritko made the motion to approve the Coweta County Development Authority Training Agreement. The motion was seconded and carried unanimously.**

OVERVIEW ON HDCI GRANT PROPOSAL FOR WORKFORCE DEVELOPMENT

Ms. Matthews provided an update on the HDCI Grant Proposal for Workforce Development. Workforce Development has been given an opportunity to write a new grant for the WorkSource Sector Partnerships program; the deadline for grant applications submittal is May 17, 2019. Our region was one of the first areas to receive HDCI funding in 2017. The funding was used to develop *threeriversworks.com*, which is a talent portal. Workforce Development wants to submit a proposal for additional funding to continue support of *threeriversworks.com*, add a community resource section, and to identify and support industry needs in our region. **FORMAL ACTION: Mr. Koritko made the motion to approve the HDCI Grant Proposal. The motion was seconded and carried unanimously.**

"GET THE RED OUT" PROJECT UPDATE

Ms. Jeannie Brantley presented this portion of the agenda. The members were provided with an updated project spreadsheet that reflected the audit findings that have been addressed and resolved. Mr. Fjelstul advised the committee that items numbered 1 and 3 are items that the committee discussed today and still require council action; number 9 concerns the council meeting time and frequency that will be addressed under "Results of Survey for Council Meetings"; number 15, 16, 17, 19, and 21 are items that

will take longer to resolve since old files must be reviewed. These items (15, 16, 17, 19 and 21) should move from red to yellow or green by the next committee meeting. Committee Chair Rivers noted the progress on the project and thanked Ms. Brantley for her report.

RESULTS OF SURVEY FOR COUNCIL MEETINGS

Mr. Fjelstul presented this portion of the agenda. The committee was earlier advised that the number 9 item on the "Get the Red Out" project concerns the council meeting time and frequency and that this was an audit finding. The auditor's recommendation is as follows: council should consider making changes to the frequency and time of meetings in order to increase transparency and accessibility. There is no action on this item today; this is for informational purposes only since we have not received everyone's response (only 83%) to the survey. Mr. Fjelstul advised that we need a recommendation for the council meeting in June so that it can be effective January 2020. Ms. Brantley gave a brief overview of the survey questions; as of today's date, the majority of the answers reveal that they do not want to change the meeting time, date or format of the meetings.

GDOT AUDIT UPDATE

Mr. Fjelstul presented this portion of the agenda. Committee Chair Rivers asked Mr. Fjelstul to skip the history of this matter, but to discuss the risks since today is "D-Day" regarding a decision to shut down the program. The GDOT Audit centered on four (4) areas concerning the findings, which include excess rent, director's salary, other federal funds being used and fund balance. The members were given a document that presents GDOT's audit findings as well as TRRC's audit response; a copy of this document is attached.

The GDOT audit began in August 2017 and covered FY 16 and FY 17; the audit should have taken thirty (30) days, but it is ongoing and has reached the nineteen (19) month time frame as of now. If GDOT's findings are considered correct and TRRC owes \$700,000+ for FY 16 and FY 17, then the current reserve would be wiped out. We still must undergo the audit for FY 18 and FY 19; if we double the amount (\$700,000+) for those following years, then the operating fund would be at risk. The amount of risk per month is \$20,000. The GDOT draft audit was received December 3, 2018, which was a few days before the council was to review and vote on the TRRC independent audit (performed by our auditors). We submitted a request to the state for an extension, which was approved until June 30, 2019. We are fast approaching the June 30, 2019 deadline to submit our audit and the GDOT audit is still an unresolved issue; GDOT officials have indicated that they would get back to us, but we have not had interaction with them regarding this matter. We also receive federal funds for grants and must submit our independent audit to the Federal Clearinghouse by March 31, 2019; the feds do not grant extensions, so we are not in compliance regarding the submission of our audit in a timely manner. We are in jeopardy of being deemed a "high risk" regarding audits and undergoing much more stringent audits in the future.

Mr. Jim Thornton stated, "There are three (3) paths that we can take...1. Continue as usual; 2. Decide that it is too much risk and terminate the program, effective July 1; or 3. Continue the program, but we need GDOT, before July 1, to make certain commitments to us. One being to close out the audit and to give us a final tally; they need to provide guidance to us on these issues going forward...they need to provide written guidance and written assurance according to certain standards. And provide assurance that they are going to correct some of the cash flow issues we encounter regarding invoices sent multiple times and late payments. My recommendation to the committee is that we adopt some kind of resolution that we would like to continue this program, but if these things don't happen by June 30th, then on June 30th, we close the program. Committee Chair Rivers agreed with Mr. Thornton's comments and clarified that the

5311 program is not the one that the elderly and sick use for transportation; those individuals use the DHS program and we would still have that particular program. Committee Chair Rivers read the following statement:

Although the Council desires to continue the 5311 program, it will not be extended beyond the current fiscal year, unless:

- 1. There is a settlement and resolution of the draft accountant's report that will allow the report to be closed, address the risks for fiscal years 2018 and 2019, and allow for the retention of a reasonable reserve; and*
- 2. There is clear guidance from GDOT regarding the items identified in the report, such as the ability to have a reserve, the ability to apply federal funds to the DHS program rather than the 5311 program, and the methodology allocating DHS funds.*

FORMAL ACTION: Mr. Blalock made the motion to present this to the council. The motion was seconded and carried unanimously.

DATE AND LOCATION OF NEXT MEETING

The Finance, Audit and Administration Committee will meet again on Thursday, May 23, 2019, at 12:30 p.m.; the meeting location is the Turin Town Hall in Turin, Georgia.

ADJOURNMENT

Committee Chair Rivers adjourned the meeting after receiving a motion from Mr. Koritko.

Ken Rivers, Chairman
Finance, Audit and Administration Committee