

Minutes

Finance Committee Meeting

Tuesday, January 13, 2015

A special meeting of the Finance Committee was held Tuesday, January 13, 2015 at 5:00 P.M. in the Raymond Pridgen Auditorium. The following were notified of the time, date, and place of the meeting: Members of the Finance Committee, the City Staff, and the press. Present at the meeting were the following: Chairman George Hardwick, Council Member Jo Sanders, Council Member Carolyn Wilson, Mayor McMillan (5:20), City Administrator David Hudspeth.

1. Call Meeting To Order & Welcome: Chairman Hardwick called the meeting to order and welcomed all present.

2. Disclosure that local media has been informed of meeting pursuant to South Carolina Freedom of Information Act: Chairman Hardwick stated the local media had been contacted regarding the time, date, and place of the Finance meeting scheduled for January 13, 2015.

3. Smith Brooks / Kenneth Cobb & Co. – Re: FY 2014 Audit:

Chairman Hardwick noted the Audit has been completed and will be completed in a timely manner in the years to come. Chairman Hardwick recognized Smith Brooks. Brooks stated the unassigned Fund Balance is \$2.6 million and it is down from the prior year.

Council Member Sanders asked what the final cost of the City Hall renovations? Hudspeth stated it was just over \$1 million. The County spent \$742,000.00 and the City spent around \$400,000.00. The project was covered and no funds were allocated out of the budget for the renovations.

Hudspeth stated all of the bills have been paid for the renovation of City Hall and there is about \$250,000.00 left. Hardwick asked what the remaining money will be used for. Hudspeth stated there is one payment left to pay on the Old Brick Warehouse.

Council Member Sanders asked whose idea was it to purchase a City Clock. Hudspeth stated the City has paid half of the cost. Hudspeth stated it was something the Mayor wanted to do and a grant was applied for through the Healthcare Foundation. Hudspeth stated the first half was paid out of a grant pass thru account.

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Brooks noted the following:

- General Fund was up \$125,000.00
- Net fund \$59,000.00
- General Fund showed a loss \$496,000.00
- Hospitality income of \$69,000.00
- Excess \$360,000.00
- Budget to Actual – Grants \$270,000.00

Brooks stated the findings are:

- Inadequate segregation of duties
- Supervisory Approval and Documentation of Adjusting Journal Entries
- Incomplete Financial Statements being provided to Council/Mayor
- Purchasing good and services
- Timely approval of Bank Reconciliations

Hudspeth state the segregation of duties will probably always be a finding. There is really no way to separate the duties any more since the City is so small.

Madden stated there will be 3-4 people handling the City's account. Madden stated there are two sign offs before bills are paid.

Council Member Sanders questioned the finding on the purchasing policy. Brooks stated the purchase orders are made after the purchase.

Council Member Wilson asked if the check register could show a description and what department the item was charged to.

Mayor McMillan joined the meeting.

Mayor McMillan stated Council could refer all questions to Felicia and she could give an explanation of charges with descriptions.

Hudspeth asked the Mayor to explain the purchase of the City Clock. Council Member Wilson stated she wasn't aware of the clock until she saw it. Mayor McMillan stated he spoke with Gene Tucker from the Healthcare Foundation

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and he thought they would fund the project. Mayor McMillan stated Pete Rogers lobbied the HealthCare Foundation for a grant for the Town of Nichols. Therefore, the grant didn't go through for the clock. McMillan also stated Johnny Floyd from ABB would be paying for the clock if the grant doesn't pass. Mayor McMillan also stated if ABB doesn't pay for the clock, he will. Council Member Wilson and Sanders stated they knew nothing about the clock until after it was placed at City Hall. Hudspeth noted the clock probably shouldn't have been purchased until after the grant was awarded.

4. Adjournment: Chairman Hardwick made a motion to adjourn. The meeting adjourned at 5:58 P.M.

George H. Hardwick
Chairman, Finance Meeting

Attest:

Felicia S. Turner
City Clerk