

RICHLAND COUNTY COUNCIL

SOUTH CAROLINA

BUDGET AD HOC COMMITTEE

April 12, 2017

2:00 PM

Administration Conference Room

In accordance with the Freedom of Information Act, a copy of the agenda was sent to radio and TV stations, newspapers, persons requesting notification, and was posted on the bulletin board located in the lobby of the County Administration Building

CALL TO ORDER

Ms. Myers called the meeting to order at approximately 2:00 p.m.

APPROVAL OF THE MINUTES

March 27, 2017 – Ms. Dickerson moved, seconded by Ms. McBride, to approve the minutes as distributed. The vote in favor was unanimous.

ADOPTION OF AGENDA

Ms. McBride moved, seconded by Ms. Dickerson, to adopt the agenda as published. The vote in favor was unanimous.

ITEMS FOR DISCUSSION

A. Purchasing Card Policy

Ms. Myers stated this item was brought to Council's attention at the 2017 Council Retreat.

Mr. Madden stated currently the County utilizes a purchasing card program to provide various staff members to make purchases. Initially the program was for easing the transition when making purchases instead of going through the normal purchase order process. The purchasing card could be utilized to make purchases under \$1,500. While researching the card policy, it was discovered these purchases do not link back to the Council approved budget. There is a fine line on whether or not staff is spending the dollars allocated in their annual budget.

The main finding from the research was that there are approximately 117 staff members, including elected officials, who have access to a purchasing card. In addition, there are varied limits on the cards.

Mr. Seals stated there is little evidence the purchasing card policy was ever authorized by Council.



Council Members Present

Dalhi Myers, Chair
Joyce Dickerson
Yvonne McBride

Others Present:

Jim Manning
Gerald Seals
Michelle Onley
Sandra Yudice
Donald Woodward
Brandon Madden
Karen Magsino

RICHLAND COUNTY COUNCIL

SOUTH CAROLINA



Budget Ad Hoc Committee

April 12, 2017

Page Two

Ms. Myers inquired if the larger purchasing card limits were tied to division heads or the Coroner's Office.

Mr. Madden stated elected officials (i.e. Sheriff's Dept.) that make frequent or emergent purchases, department heads or division managers would have purchasing cards.

Mr. Seals stated staff with the higher purchasing limits (up to \$100,000) would be internal department/division heads.

Mr. Madden stated instead of trying to retrofit or update the current program there is a recommendation to utilize a traditional governmental credit card wherein there is a contract with a financial institution. The program would have a criteria that sets in place how and who are issued cards, who has access to the card and who manages the card. This will not replace the traditional purchase order system.

Mr. Seals stated you do not typically use a credit card to pay for a conference, but the activities at the conference.

Ms. Myers inquired if there has been a determination if all of the staff members who currently have cards need them. In addition, in some cases a purchasing card may be a good thing, so why are we not looking at two classes of cards? The County could put parameters on the purchasing card.

Mr. Seals stated he struggled with any rationale that says they need direct access to your bank account, which is what the purchasing cards do. When it comes down to the policy with regards to the elected officials that may be an alternative.

Mr. Seals stated the recommendation will allow staff to look at who is issued a credit card and department heads will have to rationalize why an employee needs access to a credit card.

Ms. Myers inquired if there a policy as to who, why and when a purchasing card is issued to an employee.

Mr. Seals stated there is a practice in writing that purports to be a policy.

Ms. Myers inquired if the department heads are setting the standards for what the purchasing needs are in their respective departments. There is nothing from the administrative level and approved by Council that this what the card is for.

Mr. Seals stated what was provided to the committee is what is there and the person that is ultimately responsible is the Administrator.

RICHLAND COUNTY COUNCIL

SOUTH CAROLINA



Budget Ad Hoc Committee

April 12, 2017

Page Three

Ms. McBride stated it is not out of the norm for government employees to have a purchasing card. The purchases could be traced back to the department.

Mr. Seals stated the County's process is different than a typical purchasing card program. At one point, the County's process mimicked that process, but what the County has been doing for the last 5 years does not. It appears somewhere around 2008 the process and language changed.

Ms. Myers inquired if the purchasing card is a part of an employment incentive.

Mr. Seals stated if it is an employment incentive it is an inconsistent application.

Ms. Myers inquired if the recommendation is to adopt the policy before the committee.

Mr. Seals stated it is staff's recommendation to adopt this new policy to replace the current purchasing card.

Ms. Myers stated she is in agreement with all but the elected officials. She does not want to get into running their departments. It's logical to say the limits should be in place for them, it should be tied to a line item in the budget, and it should be reconciled daily instead of monthly, but it may be viewed as an overreach of the County's management to implement this policy in regards to the elected officials. As far as the employees of the County, it is prudent and almost necessary to adopt this policy.

Ms. Myers suggested taking out and working with the elected officials to come to an agreement on how their shop needs to be managed.

Ms. Dickerson inquired as to who has access to a purchasing card with a limit of \$100,000.

Ms. Dickerson requested clarification on how the purchasing card works with the Council members' individual discretionary accounts.

Mr. Madden stated there is a daily transaction limit, but there is no card limit.

Mr. Seals stated the cards are more of a debit card.

Ms. Myers stated you can spend until the County is notified you have spent the money and if there is no more money left then you cannot spend.

Ms. Dickerson stated as long as the Council members are spending and there is money in the Council Services account then they can continue to spend. If the amount exceeds the Council Services budget then the funds would have to come

RICHLAND COUNTY COUNCIL

SOUTH CAROLINA



Budget Ad Hoc Committee **April 12, 2017** **Page Three**

from the General Fund.

Mr. Manning stated there a couple issues: (1) there is a budget, which states that each Council member in a discretionary account has \$7,000 budgeted. Each Council member has been offered a purchasing card connected to the \$7,000 budget. There have been times when Council members overspent their account. The Clerk of Council at that time, told Council members not to worry about it since there were Council members that had not spent their \$7,000 discretionary budgeted funds. At the end of the fiscal year, Council Services came in under budget but those Council members had still overspent their budgets.

Ms. McBride inquired if carryover is allowed from one fiscal year to another.

Mr. Seals stated there is a policy that does not allow carryover of funds.

Mr. Seals stated a budget sets an amount that can be spent during a period of time and also sets a limit to an expense. You cannot go over a line item without going back to Council for an amendment. Transfers are allowed within the budget.

Ms. Dickerson inquired who would initiate a transfer if a Council member exceeded their budget.

Ms. Onley stated she would initiate the budget transfer and then it would go through an approval process.

Mr. Manning stated there is \$77,000 allocated, which is then divided by 11. If a Council member goes over the \$7,000 and there are other Council members that are under the \$7,000 the line item is still under budget, but if the whole line item exceeds the \$77,000 then that is a different issue.

Mr. Woodward stated an authorized employee (i.e. Clerk of Council) would initiate a budget transfer through the system. The request would go through Finance and the request will be acted upon.

Mr. Seals stated in reference to an elected official, once a budget allocation has been given they are responsible for administering their budget. That includes the transfer of funds between line items, as long as it does not exceed the amount authorized in the budget.

Mr. Manning inquired as to who is authorized to transfer funds in the Council budget.

Mr. Seals stated Council has the authority to delegate who is authorized to transfer the funds.

RICHLAND COUNTY COUNCIL

SOUTH CAROLINA



Budget Ad Hoc Committee

April 12, 2017

Page Four

Mr. Manning stated the former Clerk of Council was the one, as they understood their role, they could say we've got this covered at the \$77,000 and so they did whatever needed to be done where it was not an issue. Mr. Manning further stated this matter was on the Council and Rules and Appointments agenda for approximately a year. Ultimately it was never resolved.

Ms. Myers requested segregating out the policy for County Council and the issue of keeping the P-Cards period or moving to a different card altogether.

Mr. Manning stated as a point of clarification this item is an item for discussion and not action.

Ms. Myers stated in light of the discussion if staff has looked at how anyone else handles this and if there is an alternative other than the one presented to the committee.

Mr. Seals stated they are currently working internally on how to make things clearer in terms of how the elected officials operate. His suggestion is to sit down with the elected officials as a group and ask them which one do they want to operate under with the understanding that as long as they are operating within the budget it's totally up to them.

Presently all of this comes to the County Administrator, which he does not feel is appropriate because he's supposed to approve something that by law says I have no authority for when it comes to elected officials. Those units that report to the County Administrator should use a simple, standard credit card system with a limit on the number of cards issued.

Ms. Myers requested the County Administrator to go back and segregate the policies more consistently and work with the elected officials prior to the next meeting.

Mr. Manning stated he is not sure why the County Administrator would not have the authority to create the policy and why Council would even get into how many cards, who has the cards and what the limits are. The only thing that needs to come back to the committee and ultimately Council is how we're working with and anything Council needs to do policy related to the outside organizations.

Ms. Myers stated there are two (2) important pieces Council needs to be involved in (1) any cards that exceed the County Administrator's limit need to be destroyed immediately; and (2) Council needs to be made aware of the revamping of the policy and procurement and issuance of the new cards. There needs to be Council authorization to take this action, so he has the authority of the policy making body.

RICHLAND COUNTY COUNCIL

SOUTH CAROLINA



Budget Ad Hoc Committee

April 12, 2017

Page Five

Mr. Seals stated he is an extension of Council and he does not want to sign anything that he has been authorized to sign.

Mr. Manning inquired if the former Finance Director was the only employee that had the ability to receive \$100,000.

Mr. Madden stated the Finance Director and two employees in IT have card limits of \$100,000. The Finance Director was the only employee that had the ability to receive \$100,000 in cash.

Mr. Manning inquired if there was another employee that has the ability to obtain that amount of cash since the County is presently without a Finance Director.

Mr. Seals stated there is not an employee, including himself, with the ability to receive cash on behalf of the County.

B. Debt Service Overview

Mr. Madden stated this item is for information. The committee was provided an outline of the County's debt and debt capacity and how it is being serviced.

Mr. Seals believes it is important Council does not get caught again not having all the information about the funding methods. For example, the County has issued POs for Utilities, but is that appropriate for an Enterprise Fund whereby under law an Enterprise Fund can support its own budget.

Ms. Myers stated she was surprised how "stuff" has been stuck in different places. It appears the County goes out and gets the bond and apply it wherever we want.

Ms. Myers inquired where the monthly reconciliations go.

Mr. Seals stated at this point it is not consistently done.

Ms. Myers inquired if the County does monthly reconciliations.

Mr. Seals stated it's fair to say the County does not do complete monthly reconciliations.

C. Scope of County Services

Ms. Myers thanked staff for compiling this and requested that the committee be given time to review and offer feedback. The idea is to review the services the

RICHLAND COUNTY COUNCIL

SOUTH CAROLINA

Budget Ad Hoc Committee
April 12, 2017
Page Six



County provides: What are the essential services? Can we afford them? Do we need them? Are there places where there are overlap?

Mr. Manning inquired about p. 90 – “Richland County Core Services Decision Making Tool” and the scoring of each service. He stated it appears that any service that scored a total of 14 seemed to be really good. But he’s unclear about, for example #3 – “Services required by Federal Law”, which appears to lose 2 points because there is not a local ordinance since it was covered under Federal Law.

Mr. Madden stated the decision matrix is varied by service. The decision matrix serves as a tool to assist you in making a decision on whether a service is a core governmental service.

Mr. Seals stated one of the things we have to be careful of is are we at the level mandated federally, which means we do not need to ignore it. We may not need to rate it, but it may require a different matrix. An important part is for Council to tell staff what tools they need.

Ms. Myers stated before the next meeting staff should provide a list of what is going to be discussed at each meeting, so there is some order to how it is looked at.

Mr. Manning stated he is a little lost in the depth of rankings of the Risk Management department with 2 employees and the 20+ elements. In addition, there is a lot of N/As in the document where the question would clearly have been answered with a simple yes or no.

ADJOURNMENT

The meeting adjourned at approximately 3:10 p.m.

The Minutes were transcribed by Michelle M. Onley, Deputy Clerk of Council