

KERR-TAR REGIONAL COUNCIL OF GOVERNMENTS

Executive Committee

March 23, 2017

Members Present

John Alston
Henry Daniel
Walter Gardner
Linda Jordon
Joe Shearon
Danny Wright

Jimmy Clayton
Sidney Dunston
Zelodis Jay
Barry Richardson
David Smith

COG Staff:

Diane Cox
Donna Lee

Others:

Jim Wrenn - Attorney
Dean Overby – William L. Stark & Co.

Call to Order

Chairman Richardson called the meeting to order and welcomed guests.

Audit Presentation

Chairman Richardson called on Dean Overby of William L. Stark and Company to present the audit for the Kerr-Tar COG ending June 30, 2016.

Mr. Overby stated that in their opinion, based on their audit, the financial statements referred to present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Kerr-Tar Regional Council of Governments, as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparison for the General Fund, the Aging Fund, the Workforce Investment Act Fund, and the Revolving Loan Fund for the year ended in conformity with accounting principles generally accepted in the USA.

Dean reviewed the Management Discussion Analysis with the Board Members and he reviewed the Governmental Funds by line and program as well as reviewing expenditures by line. He was pleased to report that the General Fund had increased value of about \$100,000 for the year. He also reviewed the Notes to Financial Statements as well as reviewing the Other Post Employee Benefits (OPEB) costs. He did state that an outsourced review of the OPEB would be required in 2017.

Dean continued by reviewing Fringe Benefits, Program Costs, Green Job Fund. He also stated that a Single audit was completed on the COG, WIA Program and Grant Funding. There were no findings in any of these audits. He did commend the COG for negotiating to receive a reduced rental cost which reduced expenses for the year. He further stated that cash flow is up \$232,000 and net assets are up \$99,522.

Danny Wright commended Diane Cox and Donna Lee as well as the COG staff for their hard work in helping to put the COG on the right course and for the good audit.

Diane advised that during the last two years, the COG had contracted with a local CPA firm for oversight of COG financial matters. The recommendation in the forthcoming budget recommends no contract for financial oversight. We have one financial person on staff with 20 years experience and have hired an additional finance person that has a finance degree to oversee finances at the COG office.

Audi **Motion # 1**

Motion was made by Zelodis Jay to accept the audit as presented and recommend approval to the full board. Sidney Dunston seconded the motion and it carried unanimously.

Assessment Rate

Diane Cox advised the Board Members that she would suggest keeping the assessment rate at the same 59 cents per capita if Grant funds remain the same with State and Federal funding as this year. Staff will plan to send letters out to the local member units with this information next week for their budgetary planning if approved.

Assessment Rate **Motion # 2**

Motion was made by Zelodis Jay to approve the recommendation to hold the assessment rate at 59 cents per capita if State and Federal funding remains the same. Jimmy Clayton seconded the motion. The motion carried unanimously.

Banking Proposals

Chairman, Barry Richardson advised the Board Members that he had asked the COG staff to send out Request for Proposals (RFP) for banking proposals to compare local branches and what they could offer the COG. Diane explained that the RFPs were sent out in late January to 12 local banks (as the COG required a local branch in Vance County) and that 3 proposals were returned to the COG for review. She then turned things over to Finance Manager, Donna Lee.

Donna asked the Board Members to review the comparison sheet that she had compiled. This sheet provided information from the three banks that responded BB&T (who is the COG's current bank), Fidelity and PNC. Donna reviewed the information that each of the banks provided as required by the RFP. She did highlight that there were two points that play a big role in the finances at the COG. The first is the positive pay files that are done each time checks are run. Currently with BB&T we can do positive pay uploads anytime we cut the checks and we get alerts every 30 minutes if needed on the account, however, the other banks would process the upload the next day. In addition, BB&T has no annual fee for our credit card and we earn points. Both the other banks have fees and additional costs that are associated with the cards.

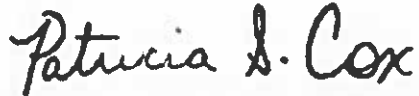
In reviewing the comparison further, Donna highlighted that the service fees varied greatly from each branch as well. Members asked why we incur service fees and Donna explained this is for the ACH (Direct Deposits) that we get from the State for grant funding, positive pay files and deposits on the account. Currently the COG has a monthly average balance of \$500,000 and \$400,000 with the RLF. COG staff believes we would be earning less and paying out more if we were to change banks.

Banking Proposal
Motion # 3

Motion was made by David Smith to approve the staff's recommendation to remain with BB&T for banking services. Danny Wright seconded the motion and the motion carried unanimously.

There being no further business, the meeting adjourned.

Sincerely,

A handwritten signature in cursive script that reads "Patricia S. Cox". The signature is written in black ink and is positioned above the typed name.

Patricia S. Cox, Executive Director
Secretary to the Board of Directors