



MINUTES

OCTOBER 24, 2018 – 4:00 P.M.

LAURENS COUNTY COUNCIL COMMITTEE PLANNING AND INTERGOVERNMENTAL AFFAIRS HISTORIC COURTHOUSE – PUBLIC SQUARE

(ANDERSON, CHAIR – JONES AND PITTS)

ATTENDANCE - COUNCIL COMMITTEE MEMBERS PRESENT- Committee Chairman Diane Anderson; Council Committee Members Stewart Jones and David Pitts.

COUNTY COUNCIL MEMBERS IN ATTENDANCE – Joe Wood, Chairman of Council.

COUNTY ADMINISTRATIVE STAFF- Laurens County Administrator Jon Caime; Laurens County Clerk to Council Betty Walsh and County Attorney Sandy Cruickshanks. Lisa Kirk, Director of Finance and Billy Wilson, Vehicle Maintenance/Procurement.

DEPARTMENT HEADS PRESENT – Joey Avery, Director, E/911 – Communications; Greg Lindley, Director, County Fire Services and Vickie Cheek, Deputy Coroner.

PRESS – No Press.

MEETING NOTIFICATION - The County Council Committee Members and media were informed of the meeting in a timely manner. Postings of the Agenda were posted in County facilities on their bulletin boards and also posted on the County Web Site

CALL TO ORDER – County Council Committee Chairwoman Diane Anderson called the October 24, 2018 meeting of the County Council Committee on Planning and Intergovernmental Affairs to order at 4:00 P.M.

Committee Chairwoman Anderson offered prayer and all were asked to participate in the pledge of allegiance.

Committee Chairwoman Anderson stated that the purpose of the Committee Meeting was to review and make recommendation to the full Council on the procurement card policy along with the travel and gas cards. And, with hopes we can come from this meeting with a good product and not hurry through it.

COUNCIL COMMITTEE DISCUSSION:

- 1.) **PROCEDURES TO ENCOURAGE EFFICIENCY AND COST SAVINGS THROUGH THE USE OF PROCUREMENT CARDS** – Offering his recommendations, Administrator Caime said, “As a result of the attacks on our employees use of credit cards, our employees are now scared to use the cards that is resulting with decreased efficiency and increased costs to the taxpayers. Internal procedures will be created to encourage and increase the use of the procurement cards so efficiency and cost savings. Use of the cards creates financial rebates for the County. This policy is more of a position statement than a policy”.

Lisa Kirk, Finance Director said, “The County has now reached a goal of over a million dollar (\$1,000,000) amount using the cards and we will receive approximately seven thousand dollars (\$7,000) in rebates. The goal was reached recently due to the Detention Center using the card to pay utilities. This is not saying that we are going to spend more but, says that we are going to pay for things differently than we have in the past”.

Councilman Jones said, “I agree with the efficiency and transparency aspects of this. While reviewing the records back to 2012 to present, there has been a thirty percent (30%) increase in 2018 that is saying a projected one million dollars (\$1,000,000) plus with the purchasing cards. Why are we spending so much money with the cards? I have grave concerns with accountability.

It was found that eighty nine percent (89%) of the documents reviewed have documentation while eleven percent (11%) did not. That results in a lot of money, approximately one hundred twenty thousand dollars (\$120,000) spent with no accountability. I want this Council to have internal reviews in place and with a report on a monthly basis to the Council and posted online with the comment line available for the public to see. The perception of the expenses is big”.

Administrator Caime stated that the increase that was noted with the use of the cards is budget driven and using the cards actually eliminates inefficiency and late fees. Council Chairman Wood replied that the late fees are not cheap. Councilman Jones asked for a summary of the process. Administrator Caime replied that the process will get better and having the utilities automated will avoid the late fees. Using the cards avoids the inefficiency with the process of turning in bills to be paid. When we start posting these on line, the public will start asking questions.

Councilman Jones asked if there was a summary of all of the late fees, Administrator Caime said, “I have zero tolerance for late fees. We are getting better in Finance”.

Committee Chairwoman Anderson stated that we are getting way off of the scheduled agenda and are not here to discuss 2011. Councilman Jones said that he was only explaining where and why he was concerned.

- 2.) **PROCUREMENT CARD POLICY** – Committee Chairwoman Anderson asked if there was anything that Council wishes address about the policy presented. Councilman Jones said that he wanted to see a section in the policy that states that the Finance Department would be posting on the county web site.

Councilman Pitts questioned the use of purchase orders. Mrs. Kirk replied that any purchase over one thousand five hundred dollars (\$1,500) needs bids before securing a purchase order.

Councilman Pitts asked how many cards are issued to employees and that he felt that each Department should have just one card to be used for purchases. Mrs. Kirk replied that it was now at eighty three (83). Administrator Caime added that the number of cards has decreased from one hundred one (101) to eighty three (83). Councilman Pitts said, “That is way too many to be issued. There should be one (1) per department with an internal process of checking out the card for instore purchasing, I feel strongly that purchase orders was a better method to use than procurement cards and offers more clarity to any purchase. Right now, we are lacking internal controls. It’s obvious and you can call it what it is. What we have to do as a committee is to develop internal controls within a policy and for Council to approve and implement”. Mrs. Kirk replied, “In my opinion signing out a card is not as accountable as having employees with a card and being accountable for their use”. Councilman Pitts said, “Allow me to explain this to you. I run a two and a half million dollar (\$2,500,000) budget every year with one (1) card for seven (7) campuses. With this is one (1) bill and I manage what is on it. I then authorize a purchase order to pay what is on that one (1) card each month. We do not have a card for each school for operations”.

Administrator Caime said, “To add a positive note on to that, we now have a twenty percent (20%) reduction on those cards. I can appreciate your comments on ways that we can further review for putting into place here with the County”. Councilman Pitts replied, “Back to the purchase orders, if we talk to the Auditors, they are going to recommend the purchase order route because there is a better and clearer paper trail of purchases towards credit cards. We need to use and implement a better job of purchase orders method rather than circumventing the purchase orders with credit cards for convenience sake. So what I understand now is that anyone with a card can purchase without authorization anything under one thousand five hundred dollars (\$1,500)”. Mrs. Kirk replied, “Purchases can be made with approval of the Department Head. Most of what

we see are nickel and dime stuff with local vendors. Run to Robertson to pick up a screw or bolt for two dollars (\$2.00)". Committee Chairwoman Anderson said, "Then that is more of a reason to have an open account with end of month invoicing". Mrs. Kirk replied, "A charge account with a company is nowhere near accountable as a credit card with the name of an employee on it. That is still considered an open purchase order". Councilman Pitts replied, "We can agree to disagree on this. Because I have an open account with a vendor that is signed by every employee when purchases are made. I get an itemized invoice each month and match up tickets with invoice and then send a check for the total amount. Again, we can agree to disagree but this is my recommendation. Of the four hundred fifty (450) employees that we have, I do not want to make it more cumbersome and burdensome that we are spending more time writing this comment and that comment. We need to agree to be clear cut and simple, here are the rules. I have brought the business book that we have at the School District. Everybody knows it and it is clean, clear and simple for all intended purchases and travel reimbursements. This Council Committee needs to submit to the full Council something like this for approval".

Councilman Pitts asked what the status was as to posting the cards on the web? Administrator Caime noted that the full Council had tabled the action.

Councilman Pitts stated, "I've given my statement as a summary of what I think we should do". Committee Chairwoman Anderson said, "I tend to agree with you as I think what has been offered to us is a bit too much. It should be simple and no more than two or three (2 / 3) pages. There was a lot of repetition in the documents provided; the same thing was said three or more different ways". Councilman Pitts said, "There is one thing that we do is to have to wrestle with elected officials. Do we, as a County Council, have the right other than allocating the monies to authorize their purchases? This point needs to be clarified".

Administrator Caime said, "The policy that Lisa put together is a standard policy that a lot of counties use. I have asked for her to give you all a one page summary with a signature line".

Council Chairman Wood asked if any purchase orders were implemented now? Mrs. Kirk replied that there are some. Committee Chairwoman Anderson asked what laws are against offering purchase orders. Mrs. Kirk replied, "There are no laws against it but from an accountability standpoint and internal control, it does not have as much control as a credit card. Just anyone can walk into a store and say I need to charge this to the County. Committee Chairwoman Anderson said, "This is a small county and just like the credit cards, there is a list of those that have them. There can also be a list of departments and employees that have authorization to purchase with a purchase order. There are ways to document sales like this and if it is a local vendor they know who trades with them and who doesn't". Mrs. Kirk replied, "Signing and purchase orders does make it more cumbersome because of all the steps you have to follow in order to produce that check to the vendor. A lot of vendors do like the credit cards because they get their money right then". Councilman Pitts added that the vendors also have to pay a transaction fee to be able to offer credit card transactions. Councilman Jones stated that he had been contacted by local vendors that have said they would prefer an open account with the County.

Administrator Caime said, "What I'm hearing from this Committee is that they would prefer going back to the open purchase orders for local vendors and to move away from the credit cards. Committee Chairwoman Anderson said, "Councilman Pitts offered his suggestions to help the situations we have too many credit cards. Committee Chairwoman Anderson said, "I don't think we are saying that we need to move away from the credit cards, we want to see the number of cards decreased. We need efficiency with the time spent within the departments doing what they are supposed to be doing and giving us the eight (8) hours. Not double checking ourselves to be sure we have crossed all of our t's and dotted all of our i's".

Administrator Caime suggested talking about reducing the number of credit cards and asked what would be the downfall of reducing the number of cards. Mrs. Kirk replied that it would be more invoices. Administrator Caime asked about only having one card per department. Mrs. Kirk replied, “The County would better benefit then by stopping the credit card program. If we don’t put the credit cards into the hands of the people actually purchasing, we are then defeating the program. A department head is not out there putting in a toilet. A department head is not out there buying office supplies. It is usually the second in command”.

Mr. Wilson added that with the fire departments and EMS stations, there are cards for each location so they can purchase what they needs at the moment.

Councilman Pitts asked how many cards the Sheriffs Department and Detention Center have. Mrs. Kirk replied that the Detention Center has eleven (11) with the Sheriff’s Department having five (5); Roads and Bridges has six (6).

Councilman Pitts asked how things were purchased before credit cards were introduced. Mrs. Kirk replied, “When I first came to the County, we were doing purchase orders for anything over two hundred and fifty dollars (\$250). The States threshold at that time was one thousand five hundred dollars (\$1,500). With that, we moved to change everything to one thousand five hundred dollars (\$1,500) and implemented the credit cards. I had implemented the credit card previously with Piedmont Technical College with it running successfully. That would allow the Department Head to move on with the transaction without having to contact Mr. Wilson. Mr. Wilson could be anywhere and not able to get the purchase order printed. We get nothing done on our jobs for constantly having to fulfill purchase orders”.

Councilman Pitts asked if there was not a local bank offering a credit card. Mr. Wilson replied that departments did have at one time WalMart and Lowes credit cards. When this card was implemented, all of those were turned in and shredded.

Councilman Jones said, “With open accounts, do we get better discounts”? Mrs. Kirk replied, “As an example, there is a contract with Lowes for the State of South Carolina that if you use your credit card you get a seven and a half percent (7.5%) discount because they are able to save money with a quick turnaround”. Administrator Caime stated that he understood with Lowes as big of a company as it is, that they want their money right away. But, as to the local vendors, we can work with them and help them avoid the percentage that they have to pay to allow credit cards”.

Mr. Wilson added, “I have not seen a reduction or loss of any local vendors because of the credit cards”. Mrs. Kirk stated that the problem does not with Bank of America, it is our issue. Councilman Jones stated that there was not problems with local vendors but with travel and meals. Mrs. Kirk added that there is a lot of disputable travel.

Committee Chairwoman Anderson said, “We have heard and discussed from a variety of angles tonight. It is clearly noted that all are agreeing that card usage needs to be monitored more closely and with still more of a reduction in cards issued. I still want to add that for those that abuse and continue to abuse the cards, they need to be held more accountable with their actions”. Administrator Caime stated that he had told Finance to hold employees accountable and to remove the cards if it is continued.

COUNCILMAN PITTS made the MOTION that as of January 1, 2019 all purchases and credit card use, with account numbers redacted, will be posted online. COUNCILMAN JONES SECONDING; VOTE 3-0.

COUNCILMAN PITTS made the MOTION to take the recommendations to the full Council for their comments and possible approval at the November 13th meeting of Council, COUNCILMAN JONES SECONDDING; VOTE 3-0.

****A copy of the provided discussed policy is attached and is to be considered as part of these minutes.**

- 3.) **TRAVEL POLICY** – Administrator Caime stated that he had reviewed the Greenwood Policy for travel and noted that elected officials and County Council follows the same policy.

The County Attorney pointed out that a paragraph on page one under travel approval, is not a legal paragraph and should be eliminated as per citation #4-90-7, where it says that elected officials are not subject to that because you are creating another obstacle for them to go through in order for them to do their jobs.

County Council members will follow the same process as all County employees, in that all travel will require pre-clearance. This clearance will be attained from a vote of County Council in a properly called meeting prior to travel in which reimbursements are expected to be made. The County Administrator and the Chairman of County Council (or the Vice-Chairman for travel made by the Chairman) will serve as the reviewers of Council travel documents to determine the correct completion exclusively. The only recognized exception to this policy will be for South Carolina Association of County (SCAC) sponsored/affiliated events that are conducted within the boundaries of the State of South Carolina. For events that are SCAC sponsored/affiliated there are no pre-travel clearance requirements; however, all other requirements of this policy remain in full effect.

County Attorney Cruickshanks said that with that deleted, wording in the paragraph above it needs to be changed as well.

FROM: Elected Officials, excluding County Council Members, may sign their own travel vouchers, however, the required forms and documentation as detailed in this policy are still required.

TO: Elected Officials, ~~excluding~~ including County Council Members, may sign their own travel vouchers, however, the required forms and documentation as detailed in this policy are still required.

Two (2) attendees (Councilman Pitts and County Attorney Cruickshanks) actually turned in their credit cards saying that they did not need them.

Administrator Caime noted that local travel was not noted in this policy.

The Committee addressed from page 2, the following:

MEALS/PER DIEM

The County will not pay per diem for business travel for any reason. The County will only reimburse meal expenditures for business travel which requires an overnight stay. According to the IRS, same day travel or travel that does not require an overnight stay could be includable as taxable wages to the employee. Therefore the County will not be able to pay meal reimbursements for day trips.

Councilman Pitts stated the he was fine with all of that but he did not know how, and as an example, when Mr. Avery has an emergency management meeting, he pays for all of the meals

provided for the attendees. That should be allowed because that is a training for this County. That was not the intent of this policy to exclude a meal like that. Mrs. Kirk replied, "Our current policy does but Administrator Caime will have to address this since this was the policy he developed.

Councilman Pitts said, "The intent of all of this is individuals going to meetings. It's not for training. Having said that, that does not mean..... A County Department holding a meeting for employees – that does not need to happen. Somewhere this has got to state some common sense. If you go out for lunch, you are responsible for your meals. The County should not be paying for it".

Mrs. Kirk said, "That a one day travel, and we used to do this years ago, we had to actually create a ledger sheet of those that were reimbursed for meals. Every time we reimbursed someone for a meal, we had to add it up for the end of the year". Councilman Pitts stated, that is gone now in this policy. Administrator Caime said that in this policy, the County is not actually providing per diem. The current policy pays you per diem per meal even if you buy a pack of crackers. If you use the procurement card or your own card we will pay for an entire meal. This will restrict one to these amounts of meals. Councilman Pitts asked, are you saying that with this policy that your meal can be paid for using your procurement card; if so that needs to be cut out. Mrs. Kirk replied that the policy states that the travel policy needs to be abided by. What Council determines with the travel policy will determine the credit card use.

Councilman Wood interjected as an example – "across from my house, there was an older house the fire department used as training with owner permission. Soon a lady showed up with meals. I asked who paid for the meals and was told that they paid for it themselves. I provided a hundred dollar (\$100) bill to pay for their meals. They were out there training and having to pay for their own meals. The Council talked in detail about this before and Council gave Gregg Lindley the permission to provide drinks and food when fighting fires if needed".

Administrator Caime said, "That is the same thing that we do when Emergency Management and others hold these meetings and it is the same thing that we do when we ask Betty Ann to provide food during some of our meetings and receptions. Somebody has to pay for that. Either you all are going to have to pay out of pocket. The policy does state that the County pays for sponsored events. A little common sense will have to be used to determine what is catered".

Committee Chairwoman said, "I personally like the per diem because if I want something different that costs more, I will pay the difference myself".

Administrator Caime stated that the revision to this policy will say that your procurement card can not be used for meals and that receipts must be provided in order to get the per diem.

COUNCILMAN PITTS made a MOTION to allow reimbursements with paid receipts only and not to exceed the allowable per diem of thirty three dollars (\$33.00) per day. COUNCILMAN PITTS REDACTED HIS MOTION.

COUNCILMAN PITTS made the MOTION to approve the changes to be made by Administrator Caime within the procurement card policy towards the per diem reimbursements as provided to the full Council for approval. COUNCILMAN JONES SECONDING; VOTE 3-0.

- 4.) **GAS CARD POLICY** – Mr. Wilson provided the following as per the Fleet Fueling Policy:

Fleet Fueling Policy

Laurens County utilizes the Wright Express Fuel Card aka WEX Fleet. This is a fuel credit card and should be treated as such. Each card is assigned to a vehicle not an employee. The employee is issued a specific pin number. Please do not share your pin number if you do and the card is compromised you will be held responsible unless you can prove otherwise.

Cards are accepted at almost all branded stations across the country. Branded stations are considered as QT, Citgo, and Pilot etc. If you stop at a small “mom and pop” station check before fueling to make sure they accept WEX cards.

When fueling at the pump simply insert card it will ask for mileage and then your pin number.

Please be as accurate with your mileage as possible because this is where I pull my mileages for all of my reports. Statements are reviewed and spot checked each month for irregularities. Monthly balances will fluctuate depending on price per gallon and departmental call volumes.

If you damage or have lost your card please notify the Vehicle Maint. /Purchasing Dept. immediately and it will be deactivated and reissued.

Administrator Caime noted that several areas will require rewording to make it clearer. Specifically in the following paragraph:

Please be accurate with your mileage as possible because this is where I pull my mileages for all of my reports. Statements are reviewed and spot checked each month for irregularities. Monthly balances will fluctuate depending on price per gallon and departmental call volumes.

Councilman Pitts stated that he felt something should be added as to the gas types to use. Mr. Wilson noted that he does encourage those with fuel cards and county vehicles to use the unleaded fuels.

Councilman Pitts asked if the fuel cards was also going to be put online. Mr. Wilson replied that that would be rather difficult due to it being so very small in reporting. Councilman Pitts stated for it to also be online as we have said already, everything.

COUNCILMAN PITTS made the MOTION for the regular purchasing of unleaded gasoline and diesel where needed; and to post monthly online beginning January 1, 2019; COUNCILMAN JONES SECONDING; VOTE 3-0.

Mr. Wilson asked, “As far as the Sheriff’s Office is concerned, can we not just put the face bill online instead of each individual”? Councilman Pitts asked why? Mr. Wilson replied because you have deputies that fill up before and after their shifts. If individually, you will see them buying gas twice a day”. Councilman Pitts stated that it should be left on as is, individually. Committee Chairwoman Anderson agreed to leave it individually.

COUNCILMAN PITTS made a MOTION for all non-elected department heads in County owned vehicles, and involving future hires, to stop at the county line for personal use. COUNCILMAN JONES SECONDING.

An extensive dialogue was held by all when considering this motion. Mrs. Kirk noted for information purposes, that anyone that drives a county owned vehicle that is not an emergency response vehicle is charged three dollars (\$3.00) per day as an additional salary benefit that they

pay taxes on. The motion does not delineate the differences between elected officials versus staff from traveling outside the county for training or for personal use from and to work. Councilman Pitts said it does not mean that you can not do your day-to-day job. Councilman Pitts said that driving a county owned vehicle back and forth to work and living in say Newberry, can't be done. Mr. Wilson replied that the Sheriff's Office is the department where this is happening the most. Administrator Caime asked for consideration to say that county vehicles can not be used for personal use outside the County.

Committee Chairwoman Anderson said, "This is a point that Councilman Pitts is bringing to the table for discussion by the full Council. Allowing the full Council to make the decision".

The COMMITTEE VOTED 3-0.

- 5.) **POSTING OF PROCUREMENT CARD TRANSACTIONS ONLINE** - The was discussed and included in an earlier motion.

CONCLUSIVE COMMITTEE MOTIONS:

1.) **PROCUREMENT CARD POLICY:**

- a.) COUNCILMAN PITTS made the MOTION that as of January 1, 2019 all purchases and credit card use, with account numbers redacted, will be posted online. COUNCILMAN JONES SECONDING; VOTE 3-0.
- b.) COUNCILMAN PITTS made the MOTION to take the recommendations to the full Council for their comments and possible approval at the November 13th meeting of Council, COUNCILMAN JONES SECONDING; VOTE 3-0.

3.) **TRAVEL POLICY:**

- a.) The deletion of this paragraph per citation #4-90-7, where it says that elected officials are not subject to that because you are creating another obstacle for them to go through in order for them to do their jobs.

County Council members will follow the same process as all County employees, in that all travel will require pre-clearance. This clearance will be attained from a vote of County Council in a properly called meeting prior to travel in which reimbursements are expected to be made. The County Administrator and the Chairman of County Council (or the Vice-Chairman for travel made by the Chairman) will serve as the reviewers of Council travel documents to determine the correct completion exclusively. The only recognized exception to this policy will be for South Carolina Association of County (SCAC) sponsored/affiliated events that are conducted within the boundaries of the State of South Carolina. For events that are SCAC sponsored/affiliated there are no pre-travel clearance requirements; however, all other requirements of this policy remain in full effect.

- b.) County Attorney Cruickshanks said that with that deleted, wording in the paragraph above the following need to be changed as well.

FROM: Elected Officials, excluding County Council Members, may sign their own travel vouchers, however, the required forms and documentation as detailed in this policy are still required.

TO: Elected Officials, ~~excluding~~ including County Council Members, may sign their own travel vouchers, however, the required forms and documentation as detailed in this policy are still required.

- c.) COUNCILMAN PITTS made the MOTION to approve the changes to be made by Administrator Caine within the procurement card policy towards the per diem reimbursements as provided to the full Council for approval. COUNCILMAN JONES SECONDING; VOTE 3-0.

4.) **GAS CARD POLICY:**

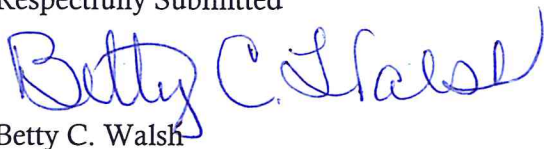
- a.) Rewording of this paragraph; “Please be accurate with your mileage as possible because this is where I pull my mileages for all of my reports. Statements are reviewed and spot checked each month for irregularities. Monthly balances will fluctuate depending on price per gallon and departmental call volumes”.
- b.) COUNCILMAN PITTS made the MOTION for the regular purchasing of unleaded gasoline and diesel where needed; and to post monthly online beginning January 1, 2019; COUNCILMAN JONES SECONDING; VOTE 3-0.
- c.) COUNCILMAN PITTS made a MOTION for all non-elected department heads in County owned vehicles, and involving future hires, to stop at the county line for personal use. COUNCILMAN JONES SECONDING; VOTE 3-0.

5.) **POSTING OF PROCUREMENT CARD TRANSACTIONS ONLINE:**

- a.) Discussed and motioned during the discussion of the procurement cards.
(COUNCILMAN PITTS made the MOTION that as of January 1, 2019 all purchases and credit card use, with account numbers redacted, will be posted online. COUNCILMAN JONES SECONDING; VOTE 3-0.)

ADJOURNMENT – Committee Chairman Pitts adjourned the meeting at 5:45 P.M.

Respectfully Submitted



Betty C. Walsh
Laurens County Clerk to Council