



Brunswick-Glynn County Joint Water & Sewer Commission
1703 Gloucester Street, Brunswick, GA 31520
Commission Meeting Room
Tuesday, November 15, 2016 at 2:00 PM

FINANCE COMMITTEE MINUTES

PRESENT: Donald M. Elliott, Chairman
Ronald Perry, Commissioner
John A. Cason, III, City Commissioner
Thomas A. Boland, Commissioner
Jimmy Junkin, Executive Director
John Donaghy, Chief Financial Officer

ALSO PRESENT: Pam Crosby, Director of Procurement
Jarrett Bridges, Turner & Associates
Greg Bell, Teamwork Service, Inc.
Jeffrey Singletary, Teamwork Services, Inc.
Robbie Turner, Turner & Associates

Chairman Elliott called the meeting to order at 2:00 PM.

PUBLIC COMMENT PERIOD

There being no citizens that wished to address the Committee, Chairman Elliott closed the Public Comment Period.

Commissioner Elliott inquired about the status of the PIO position and it was stated that the applications have been reviewed and staff will be setting up dates and times for interviews. He also inquired about the status of the VacCon lease and it was stated that staff is waiting for the closing date from BB&T.

ADOPT:

1. Minutes from the October 20, 2016 Finance Committee Meeting

Commissioner Cason made a motion seconded by Commissioner Boland to adopt the minutes of the October 20, 2016 Finance Committee Meeting. Motion approved 4-0-0.

2. Workers' Compensation Renewal – J. Bridges

Greg Bell of Teamwork Services, Incorporated introduced Jarrett Bridges and Robbie Turner of Turner & Associates Insurance. Jarrett presented the renewal proposal to the committee and stated they are responsible for procuring and securing insurance options for the Workers' Compensation at JWSC. The marketing analysis outlays the 16 carriers that Turner and Associates approached and the one that Teamwork Services, Inc. approached being GMA. There were four firm quotes presented below. There was a reduction this year of 17% and that is due to the safety efforts the Commission has installed from the incentive program. Jeffrey Singletary (Teamwork Services, Inc) has also worked closely with JWSC staff, the safety committee and Zenith claims management. The reduction shows that the experience mod

is going down. Previously, the Commission was at 1.39 which means JWSC pays a 39% debt due to the (3) year loss history that was analyzed. Next year it will go down to 0.99 which is a 1% reduction. It works out to be a \$48,539.00 reduction from last year's workers' compensation. The type of coverage works out to be the same type of coverage within the top four firms. Robbie Turner stated that Zenith creates a value and provides the best claim work that Turner has found. Zenith will provide two classes for a defensive driving course next month with no additional cost and is part of their program. Mr. Bell discussed the wages that the rates are compared against and Jeffrey Singletary discussed the list of carriers approached. It was stated that Zenith is a thorough and organized company to work with. TSI recommends Zenith to provide the WC insurance.

Commissioner Boland made a motion seconded by Commissioner Cason to go with the Zenith proposed quote as presented and forward to the full Commission for approval.

Jarrett commented on the great work that JWSC employees are doing to keep claims down. It was stated that the safety incentive checks are presented in the July Safety Stand Down Day to the employees that qualified.

Motion approved 4-0-0.

3. Acceptance of the June 30, 2016 Audit Report – J. Donaghy

John Donaghy presented the audit report and discussed the financial report. In the first few pages the document discussed balance changes, rates, personnel, capital contributions and debt service. On page 9 the report discussed events that were known during June 30th through October 21st that could affect future operations like capacity issues. The statement of cash flows for the year was also discussed and is broken down from operating to the financing activities. There was further discussion on the decrease in the cash balances due to turning projects that were completed into infrastructure. Page 34 discussed the findings from the auditors which was noted to be the lack of segregated duties and it was explained. The Finance Department has 3 staff members and the duties are kept as separate as possible. The schedule of prior year findings was discussed and explained. The Auditors Analysis which included the accounting recommendations and related matters were discussed and explained. The new software will provide a managers override step to correct the ability to void payments. It was stated that the GEMS program does not have this feature. The subject of written policies and procedures manual has been delayed for some time. It was noted that in discussions with the college, JWSC could utilize an accounting intern to work on the financial manual and the Customer Service manual. The FASB (Financial Accounting Standards Board) and GASB (Governmental Accounting Standards Board) announcements that have come out in recent years could have an effect on JWSC and were discussed. This full report will be provided to the Commission for approval on Thursday. It was requested that the financial policies and procedures manual be written and to include the segregation of duties. This manual should be reviewed by the Finance Committee and then by the full Commission.

DISCUSSION:

1. October End of Month Financial Comparative – J. Donaghy

John Donaghy presented the financial end of month report to the Committee. The balance sheet shows the restrictive cash has been reduced from June 30 to October 31 and capital assets have increased due to completion of infrastructure projects. The schedule of cash balance report was discussed and explained. The next report was the summary of the revenues and expenditure from 2014 through October 31st, 2016 also known as the commission report. The sewer revenues and water consumption charges were discussed. The final report shared the line items by division. It was noted that the JWSC has 2.287M for encumbrances on issued purchase orders or signed contracts for goods or services. The storms and FEMA reimbursements were discussed briefly. The project costs report was discussed and John stated JWSC has expended 1.566M towards projects in the first four months of the year. There are purchase

orders or contracts outstanding in the amount of \$4.439M. The Urbana project costs were briefly discussed and it was noted that the paving of the roads have begun.

2. Surplus Update – P. Crosby

Pam Crosby updated the Committee on items to be declared as surplus. The newest items included on the list were the VacCon trucks. Pam stated this was previously presented to the Facilities Committee earlier. Pam stated that in order for JWSC to dispose of these items they must be declared as surplus. Once declared as surplus the Director of Procurement will dispose of them in a manner most beneficial to the JWSC. It was agreed by the committee to forward to the full commission for approval.

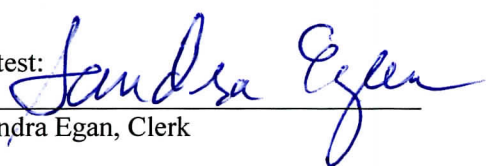
3. Evaluation Pay Review - J. Donaghy/J. Junkin

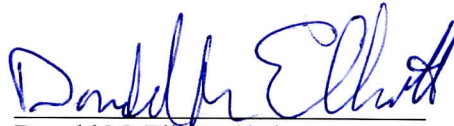
John presented the evaluation pay review for the committee. Mr. Junkin stated the previous merit plan was reviewed and discussed. There were questions regarding the impact on the budget. It was stated that if a fixed program was used would it be acceptable to the Commission. The staff recommends possibly 5% and could leave room to acknowledge people that receive credentials and or improved capabilities through schooling. John reviewed the evaluations process and stated it is not a final product. A new evaluation form will be incorporated and will be reviewed in the Human Resources December 1st meeting. It was stated that the plan is to establish hard criteria to use objectives and avoid varied reviews. It was noted that for planning and budget purposes staff will need to lock down the process prior to February. It is believed that the process is more than fair and John stated this has been thoroughly reviewed by national comparison. It was noted that TSI provides accrued paid time off and carry over time which can be converted to sick time if needed.

DIRECTOR'S UPDATE

Meeting was adjourned at 3:17 p.m.

Attest:


Sandra Egan, Clerk


Donald M. Elliott, Chairman