

**SOUTHERN GEORGIA REGIONAL COMMISSION
MINUTES OF THE EXECUTIVE/AUDIT COMMITTEE MEETING
SPORTS COMPLEX & CIVIC CENTER, PEARSON, GEORGIA**

June 28, 2018

10:00 A.M.

Members in Attendance:

Bennett, Neal
Evans, Joyce
Gowen, Lee
Murphy, Peggy
Nelson, Carlos
Seale, Matt
Taylor, Steve
Thompson, Grady

Staff Present:

Cribb, Lisa
Schultz, Kelly
Strom, Chris

REVIEW AND APPROVAL OF MINUTES FOR MAY 24, 2018 MEETING:

Chair Evans called the meeting to order and reminded those present that the minutes of the May 24, 2018 Executive Committee meeting were provided to the members for review (copy attached and made a part of these minutes). Mr. Grady Thompson made a motion to accept the minutes, and Mr. Matt Seale seconded the motion. Motion carried unanimously.

REVIEW AND RECOMMENDATION OF SOUTHERN GEORGIA RC FY2019

BUDGET: Chair Evans called upon Kelly Schultz, RC Finance Director, to make this presentation to the committee. Ms. Schultz introduced herself to the newest members of the Audit/Executive Committee and referred everyone to a document in their packet detailing the proposed FY2019 budget (attached and made a part of these minutes). She explained this document begins with a comparison between the FY2018 budget and the proposed FY2019 budget. To summarize the differences in the revenues and expenditures listed, Ms. Schultz stated that for FY2019, there is approximately an \$8,000 increase in revenues over expenditures when compared to the FY2018 budget. She reminded committee members of her presentation at the May 2018 committee meeting in which she highlighted anticipated contracts for FY2019. She stated that these anticipated efforts were included in the proposed budget before them.

Ms. Schultz then referred to the next page of the document detailing revenues forecasted for FY2019. She explained the breakdown of revenue categories to the committee to include Federal, State and pass-through funding to service providers in the workforce, aging and coordinated transportation programs. She noted that members will see a decrease in revenue for aging program service providers. This is the result of changes in a Medicaid-funded program. Funding for service providers will continue, but, beginning in July, the Georgia Department of Community Health (DCH) will pay them directly instead of passing the funding through SGRC. At the same time, DCH expanded the intake and referral duties for SGRC aging staff and provided a corresponding increase in funding for the performance of those tasks. Next, Ms. Schultz pointed out an increase in revenue in contracts with the GA Dept. of Natural Resources (DNR) due to projects related to best management practices (BMP) for improved surface and groundwater. Mr. Grady Thompson asked for clarification about the types of projects in the

scope of BMPs. Ms. Schultz explained that the projects were intended to improve the water flowing into the watershed. Ms. Schultz then referred those present to the next page in the document illustrating revenues. She stated that overall, there were about \$1 million in decreased revenues and, of course, these correlated in large part to the decreased expenditures also listed. She reviewed the amounts related to personnel costs and explained the increases in salary and retirement benefits. Ms. Schultz also mentioned there was a \$231,000 increase in total operating costs as outlined on the handout. A large portion of this increase was the BMPs referenced earlier and an anticipated Metropolitan Planning Organization (MPO) connectivity study.

Ms. Schultz pointed out that the remaining pages illustrated specific program/activity budgets and schedules across general fund, special revenue funds, enterprise funds, etc. She pointed out details about each program area's budget within these major funds.

Lisa Cribb, Executive Director stated that a reduction in force of one staff member was represented in the budget for the Information Technology program (IT). Mr. Matt Seale asked for more information about this reduction. Ms. Cribb explained that this is in response to a sustained, decrease in demand for desktop computer support around the region. Ms. Cribb stated that this was a trend that needed to be addressed. Ms. Schultz extended an offer to all present to discuss any other questions at that time. With no other questions, Mr. Matt Seale made a motion to recommend presentation of the proposed FY2019 budget to the SGRC Council. Mr. Grady Thompson seconded the motion. The motion passed unanimously.

REVIEW AND RECOMMENDATION OF SOUTHERN GEORGIA RC FY2019 WORK

PROGRAM: Chair Evans called upon RC Executive Director, Lisa Cribb, to address this agenda item. Ms. Cribb explained that since the presentation of the draft work program at the May 2018 Executive Committee and subsequent council meeting, no changes had been proposed to the work program. As that is the case, she explained, it is appropriate to ask the Executive Committee for a recommendation to present the work program for adoption at the council meeting. She asked for questions from committee members and with none, Mr. Grady Thompson made a motion for such recommendation and Mr. Carlos Nelson seconded the motion. The motion passed unanimously.

REVIEW AND RECOMMENDATION TO CONTRACT FOR ARCHITECTURAL AND

ENGINEERING SERVICES: Chair Evans called upon Mr. Chris Strom, Assistant Executive Director to take this agenda item up with the committee. Mr. Strom referred those present to a timeline document in their packets (attached and made a part of these minutes). Mr. Strom reviewed this timeline of past activities focused on the relocation of SGRC's Valdosta office. The latest of the efforts he reviewed included the announcement of two requests for qualifications (RFQ) on April 13, 2018. One RFQ, Mr. Strom explained, was for professional architectural services and the second was for professional engineering services. He stated that responses to these requests were due by May 14, 2018. In total, eight architectural firms responded, and four civil engineering firms responded. Mr. Strom explained that a review committee was formed consisting of RC leadership and staff. Also included in this review committee were Mr. Chad McLeod, Special Projects Director for Lowndes County, and Mr. Buddy Duke, executive committee member. Also, the criteria for scoring responses were developed and disseminated to all review committee members. Once the response period

concluded, Mr. Strom explained, all members were given copies of the responses and evaluation criteria. He stated that review committee members evaluated each response individually, and then aggregate scores for each responding firm were compiled. Also, he noted, fee schedules for proposed services were examined. He concluded his explanation of the preliminary selection process to state that four architectural firms were interviewed in-person and two civil engineering firms were also interviewed.

Mr. Strom explained that after concluding in-person interviews, the review committee evaluated interview results and formed a recommendation to bring before the executive committee. Mr. Strom mentioned that while all firms interviewed seemed technically proficient; two firms did stand out during this process. These firms were Ellis, Rickett, and Associates Architecture (ERA) and Lovell Engineering and Associates (LEA). As such, these firms earned the recommendation of the review committee for Architectural and Engineering services.

Mr. Matt Seale asked a question about what, in particular, stood out about the two recommended firms. Mr. Strom and Ms. Cribb answered that in both cases, these firms demonstrated proficiency in understanding the business of the RC and the site on which the RC intended to build. Mr. Strom answered a question regarding fees for each of the firms and reported the fees proposed by each firm responding to the RFQs. In conclusion, and with no other questions from the committee, Chair Evans asked for a motion to recommend seeking approval of the RC council to negotiate and enter into a contract with ERA and LEA. Mr. Lee Gowen made the motion, and Mr. Carlos Nelson seconded. With no other discussion, the motion passed unanimously.

REVIEW AND RECOMMENDATION OF UPDATED TRAVEL POLICY: Chair Evans called upon Ms. Lisa Cribb, Executive Director, to speak about this agenda item. Ms. Cribb explained to the committee that the most recent recommendation by the GA Department of Audits and Accounts (DOAA) to all regional commissions is the impetus of the proposed travel policy before them today. She reminded members that in past years, audits of regional commissions by DOAA had included this same recommendation. With that recommendation, however, she explained that DOAA also acknowledged SGRC had sufficient travel policies and practiced them without issue. Therefore, SGRC was not compelled to update a travel policy that has consistently demonstrated success. However, in the last round of audits at other regional commissions, she stated that DOAA identified travel-related issues at one RC, the Atlanta Regional Commission (ARC). These issues included some noteworthy deviations from their commission's travel policy. Furthermore, she stated, these audit exceptions at ARC and the fact that RCs have prescribed their own travel policies in the past have gained the attention of state legislators. As a result of this new attention, legislators are now also strongly urging all regional commissions to adopt the state travel policy as recommended by DOAA.

Because of this new call for adoption of the state travel policy, Ms. Cribb explained that staff had been working to become intimately acquainted with the state travel policy model and evaluate/prepare it for use by SGRC. This proposed policy, she stated, is the product of these efforts. This proposed travel policy is a more extensive document than the current SGRC travel policy. She also said that while the state travel policy model is not necessarily a poor fit for RCs, it is written for a much different usage scenario than what RCs encounter. Ms. Cribb stated,

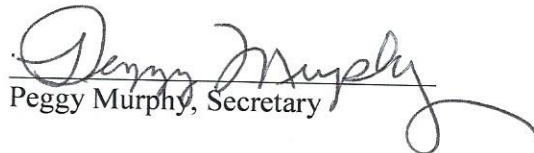
however, that modifications were kept to a minimum when drafting this proposed policy. Mr. Matt Seale asked for clarification about some of these changes. Ms. Cribb elaborated that adjustments were necessary to include some of the more restrictive current policies of SGRC, and of course, the removal of references to an online state travel management system that SGRC cannot access.

Ms. Cribb concluded her presentation of the policy document by saying that while the state travel policy model itself is not problematic for RC business, the trend it represents is very troubling in her opinion. Ms. Cribb stated that she believes the councils of each RC are more than capable of running the business of RCs. This includes setting and adopting policies of this nature. Mr. Matt Seale asked for clarification if legislators have "mandated" this, or if they have merely "encouraged" RCs to adopt state travel policy. Ms. Cribb answered that while it is only an encouragement, the repercussions could affect funding in future legislative sessions and the latest audit criteria include an evaluation of whether the state travel policy has been adopted or not. Mr. Seale stated that he understands these challenges. He also stated that while he was not opposed to the updated policy, he did oppose one-size-fits-all policies especially in a case when SGRC has its own governing body and past audits have indicated SGRC performs well. Mr. Seale asked what the outcome might be if the committee tabled this issue until the next meeting. Ms. Cribb responded that for one, SGRC would begin the fiscal year with one policy that would likely change before the year ended, thus creating confusion on several fronts. Mr. Neal Bennett asked when this policy update was due to DCA and DOAA. Ms. Cribb responded that there is no particular due date, but she was striving to demonstrate/inform DOAA, and legislators of our action in this area as soon as possible. Chair Evans asked for any more discussion, and with none indicated, Mr. Grady Thompson made a motion for a recommendation that this policy be presented for adoption at the council meeting immediately following. Mr. Carlos Nelson seconded the motion. Chair Evans called for discussion. Ms. Peggy Murphy stated that if there were executive committee members in opposition to this motion, then they should vote accordingly. Chair Evans called for a vote. The motion passed with a vote of approval by the executive committee. Mr. Matt Seale and Mr. Neal Bennett voted in opposition.

ADJOURN:

With no other business, the meeting was adjourned.


Joyce Evans, Chair


Peggy Murphy, Secretary